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PRC FOREIGN MINISTRY ON KUWAITI SHIPPING REQUEST

HK100948 Hong Kong AFP in English 0937 GMT 10 Jun 87

[Text] Beijing, June 10 (AFP) -- China said Wednesday it was considering a request from Kuwait to join the United States and the Soviet Union in protecting Kuwaiti oil tankers in the Gulf against Iranian attacks.

"Kuwait has put forward to China the request of leasing China's oil tankers or having its oil tankers registered in China. The departments concerned in China are studying the request," a Chinese Foreign Ministry spokesman told AGENCE FRANCE-PRESSE in a telephone interview.

"The situation in the Gulf has been further intensified recently. The Chinese Government is very much concerned about the safety of international navigation in the Gulf," another Foreign Ministry spokesman told a weekly press briefing.

Western diplomats said that China apparently wanted to go some way toward meeting the requests of moderate Arab countries while maintaining a neutral stance in the war between Iran and Iraq.

Analysts noted, however, that Beijing did not reiterate its opposition to any intervention in the Gulf by either the United States or the Soviet Union.

A Chinese oil tanker was attacked in the Gulf early this year. Beijing protested the attack and said it would demand compensation if the perpetrators were identified after an investigation.

"The Chinese Government hopes that the parties concerned will exercise restraint and cease the attacks and the threats of attack on oil tankers and merchant ships in the Gulf," the Foreign Ministry spokesman told the press briefing.

The spokesman also repeated China's denial that it was supplying arms to Iran, following a statement Monday from the U.S. State Department that Beijing could play a positive role in helping to end the Gulf war by halting the sales.

"The Chinese Government maintains strict neutrality in the Iran-Iraq war and has made efforts to urge Iran and Iraq to put an end to the war," the spokesman said.

The United States has claimed on several occasions that China has sold land to sea Silkworm missiles to Iran which were a threat to shipping in the Gulf. China has denied selling weapons either to Iran or to Iraq.

NEWS ANALYSIS VIEWS VENICE SUMMIT CONFERENCE

OW101114 Beijing XINHUA in English 1012 GMT 10 Jun 87

["News Analysis: Venice Summit, Seeking Common Ground While Reserving Differences (by Wang Yanlin)" -- XINHUA headline]

[Text] Venice, June 9 (XINHUA) -- The three political statements announced today by the leaders of the seven Western countries on the first day of the three-day Venice summit gave a general impression of a lack of substance, although they do contain some new approaches.

The leaders of Britain, Canada, France, Federal Germany, Italy, Japan and the United States, and the representatives of the European Community are apparently seeking common ground while preserving differences. They stressed their common points of view in the three statements on the Gulf issue, international terrorism and East-West relations and avoided mentioning where they differ.

The statement on the Gulf is an example. The United States originally asked its allies to give military and logistic support for the military action it threatened to take to protect oil sealanes in the Gulf after the May 17 incident in which a U.S. frigate, the USS Stark, was hit by two missiles mistakenly fired by an Iraqi aircraft.

The statement failed to mention the response of the U.S. allies to the request. In fact, all American allies are reluctant about the Gulf situation, already tense because of the nearly seven years of war between Iran and Iraq.

Neither does the statement reflect the "diplomatic support" the United States seeks from its allies.

The statement only urges Iran and Iraq to negotiate an immediate end of the war and reaffirms that the principle of freedom of navigation in the Gulf is of paramount importance for major Western countries and others, and must be upheld.

At a press conference U.S. Secretary of State George Shultz said the U.S. has got sufficient political support on the issue, while another U.S. official said the stance of Western Europe is to let Americans fight alone in the Gulf.

The latter comment was considered more reasonable because West European countries and Japan have different interests in the Gulf with [as received] the United States.

Because of wide differences, the summit participants did not discuss the issue last night according to the schedule. Instead, they let experts hammer out the statement overnight so as to pacify the United States, while they left their stance unchanged.

The statement on terrorism sang the old tune, reaffirming cooperation to fight international terrorism. U.S. President Ronald Reagan said there was a unanimous stand on the issue among the seven leaders. There were bomb attacks on the British and American Embassies in Rome bringing the issue closer to the summit.

There was new wording in the statement on East-West relations, which read "We (the seven leaders and EC representatives) are following with close interest recent developments in the internal and external policies of the Soviet Union." It was interpreted here as appreciation of the new domestic and foreign policies recently adopted by the Soviet Union.

The statement also said there were "profound differences" between the countries of East and West.

To cover their differences on the issue, the statement evaded the most sensitive issue, the elimination of medium and shorter-range nuclear missiles from Europe.

Although Federal Germany, the country most worried about the U.S.-Soviet arms deal, known as the "double zero options," has already given conditional support to eliminate these missiles, the avoidance of mentioning it in the statement reveals that the Western allies are not all in agreement.

The statement mentioned instead the most common ground such as "to maintain a strong and credible defense," "to negotiate balanced, substantial and verifiable reductions in nuclear weapons," "to enhance conventional stability at a lower level of forces, and achieve the total elimination of chemical weapons."

It was reported that the final document of the summit will also touch the issue of East-West relations and the outcome is not certain.

But one thing is certain; the differences among the major Western countries will not disappear only because they avoided them. And by doing so, the summit participants have turned the meeting a modest one.

PRC DISPLAYS LIQUID ROCKETS TO CONFERENCE MEMBERS

OW091359 Tokyo KYODO in English 1351 GMT 9 Jun 87

[Text] Beijing, June 9 KYODO -- China displayed "Long March 2 and 3" rockets Tuesday to foreigners attending the first Pacific basin international symposium here.

About 200 delegates to the conference, which opened in Beijing Monday, rode in two buses and visited the rocket assembly factory about 10 kilometers south of the Chinese capital.

Previously, only American experts had been allowed to see the rockets developed solely by the Chinese.

The two-stage Long March 2 rocket is 32.57 meters long and the three-stage Long March 3 is 43.25 meters in length.

China is scheduled to use the Long March 3 rocket to launch two American communications satellites this summer. It is also said to be having negotiations with 38 enterprises in 19 countries, including Iran and Brazil, for satellite launchings. The Long March 3 rocket is designed to carry a stationary satellite weighing about 700 kilograms.

YANG SHANGKUN COMMENTS ON SINO-U.S. RELATIONS

OW100742 Beijing BEIJING REVIEW in English 1 Jun 87 pp 14-16

[Article: "China Hopes To Boost Sino-U.S. Relations"]

[Text] The message I have brought to you today is that China's policy of reform, opening to the outside world and invigorating the domestic economy will not change, China's independent foreign policy of peace will not change, and China's desire to strengthen and develop its friendly relations with the United States will not change.

Why is it that China's policy of reform, opening to the outside world and invigorating the domestic economy will not and cannot change? This is because:

First, this policy is formulated after we have learned lessons from a century of humiliations in our modern history and from our experiences over the past 30 years or more since the founding of New China. The profound lesson is that self-seclusion or blind copying of other's experiences will inevitably mean slow development and prolonged backwardness for China. We had paid our price for that. We resolutely put an end to self-seclusion or blind copying eight years ago.

Secondly, our policy has brought about national stability and unity, steady and sustained economic growth and marked improvement in the material and cultural life of the overwhelming majority of our people in both urban and rural areas. The people of all nationalities in China sincerely welcome and entirely support this policy which benefits both the country and the people.

Thirdly, our policy is not the whim of any individual, but a decision made collectively by the party and the government to meet the needs of historical development and the wishes of the people.

Since some foreign friends do not have sufficient understanding of the situation in China, they still have misgivings as to whether China's policy will change. As a matter of fact, our current policy has always embraced two aspects, first, adherence to the socialist road and upholding of the leadership of the Communist Party of China, and second, reform and opening to the outside world. All these have been written into our Constitution and government documents and reiterated all along by our leaders. Sometimes, we stress reform and opening to the outside world, but it does not mean that socialism is no longer adhered to. And sometimes we stress adhering to the socialist road and upholding the party's leadership, it does not mean that the policy of reform and opening to the outside world is abandoned.

These two aspects are an integral whole and neither can be dispensed with.

In a word, the continuity and stability of China's current policy resides in its correctness and rationality. This policy should not and will not change. If there is to be any change in the future, it will only mean that the policy will become more mature and further improved with the passage of time and the accumulation of our experiences. At the 13th National Congress of the Communist Party of China in the coming fall, a programme for political structural reform will be discussed and formulated. This will be a major step. It is required by the deepening economic structural reform and will in turn facilitate further economic restructuring.

The Chinese people love peace. China pursues an independent foreign policy of peace and takes the following as its underlying task in international affairs, namely, to oppose hegemonism, safeguard world peace and develop friendly relations and co-operation with other countries so as to promote common prosperity. What the world in general and China in particular need most is peace and development. Peace and development are indivisible. Development cannot be achieved without peace, nor can peace be ensured without development. As a relatively backward country, China's socialist modernization will proceed in two stages: first, to quadruple by the end of this century its total industrial and agricultural output value of the early 1980s so as to provide a fairly comfortable life for its people; and second, to strive to reach the standard of the medium-developed countries in another 30 to 50 years. It will take an even longer time to fully catch up with the developed countries. Therefore, it requires the sustained efforts of several generations to realize the grand goal of socialist modernization. It follows that we need peace not only in this century, but in the next century as well.

For the above reason, we oppose arms race of all descriptions, whether nuclear or conventional, on the ground or in outer space. We welcome the dialogue between the United States and the Soviet Union. We hope to see relaxation in the East-West relations and welcome efforts for reducing the risks of war and easing international tension. China believes that as the peace forces grow in strength, the danger of a new war can be averted and world peace be maintained.

For the above reason, we oppose interference in the internal affairs of other countries, and violation of their independence and sovereignty, and particularly aggression and occupation of their territories, on whatever grounds. We oppose the use of force or threat of force in international relations. We call for settling all international disputes through peaceful negotiation, including conflicts in "hot-spot" areas and questions between countries that are left over from the past.

For the above reason, we wish to establish and develop friendly relations and co-operation with other countries on the basis of the five principles of peaceful coexistence, namely, mutual respect for sovereignty and territorial integrity, mutual nonaggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence.

For the above reason, we judge international issues on the merits of each case and will not decide our relations with other countries on the basis of social system or ideology. Nor will we enter into alliance with or establish strategic relations with any big power. For the above reason, we favour the improvement of North-South relations and the promotion of South-South co-operation so as to bring about the steady growth of the world economy and common prosperity.

We are pleased to note that in the 15 years since the issuance of the Sino-U.S. Shanghai Communique, the friendly relations and co-operation between our two countries have witnessed considerable progress. The high-level exchange of visits between leaders of the two countries has contributed to the growing Sino-U.S. understanding and friendship. Our exchanges in the political, economic, cultural, scientific-technological and military fields have increased steadily. The city-to-city and people-to-people contacts between the two countries have also expanded continuously. Despite differences of one kind or another between us, we share common or similar views on many major issues. The present Sino-U.S. relations owe much to the joint efforts made by the Governments and peoples of China and the United States. The experience over the last 15 years shows that the three Sino-U.S. joint communiques constitute the foundation of our relations. When the principles embodied in these communiques are strictly abided by, Sino-U.S. relations will develop smoothly; if not, our relations will suffer setback and damage. [paragraph continues]

As is known to all, the Taiwan question has long remained the main obstacle to the development of Sino-U.S. relations. It has been the cause of several twists and turns in our relations since the establishment of diplomatic relations between China and the United States. Sino-U.S. relations have been fairly stable on the Taiwan question, [however] violations of the "one China" principle have occurred from time to time. This should merit the close attention of all those who wish to see further growth in Sino-U.S. relations. For failure to handle the Taiwan question properly will not only make it difficult to ensure the long-term and stable development of our relations, but are also bound to cause new twists and turns.

Now, I would like to speak on Sino-U.S. economic relations. There exists a broad scope for mutually beneficial co-operation between China and the United States, and the potential of our economic co-operation is quite large. To fully tap this potential, China and the United States need to make further joint efforts. The Chinese Government is taking steps to improve its foreign trade system, speed up legislation concerning foreign investment and create a better investment climate so as to provide more preferential and favourable terms to foreign entrepreneurs and investors in their economic and technical co-operation with China. At the same time, we also hope that the U.S. Government and the American business community will on their part make efforts to overcome certain difficulties and problems in the development of Sino-U.S. economic relations, such as easing restrictions on China's export to the United States, relaxing control over transfer of American technologies to China, and enhancing the competitiveness of American products in China's market. A general review of Sino-U.S. trade relations in the last 15 years shows that China has long run considerable deficits in its trade with the United States. Moreover, it is now faced with new threat of U.S. protectionism. We do not ask for absolute balance of our bilateral trade, nor do we want to solve the deficit problem by reducing import. But we hope that the American market will absorb more Chinese commodities so as to reduce China's commodities so as to reduce China's trade deficit and promote the growth of our bilateral trade. In a sense, more Chinese exports to the United States mean more American commodities on China's market. We hope that the industrial and business communities in the United States will make greater efforts for developing our economic relations. We are convinced that so long as China and the United States both see our economic relations in the long-term perspective and observe the principles of equality and mutual benefit, the future will be bright for the further development of the economic co-operation between the two countries.

The Chinese Government attaches great importance to the friendship and co-operation between China and the United States and is ready to contribute its share to the further development of this friendship and co-operation.

In addition to China's modernization, another question weighing on our mind is the national reunification.

With the settlement of the questions of Hong Kong and Macao, the Taiwan question has become more prominent on our agenda. To settle the Taiwan question according to the concept of "one country, two systems" will do Taiwan only good and no harm. As a special administrative region of the People's Republic of China, Taiwan will enjoy a high degree of autonomy. It may retain its own administrative system, its own troops and its independent judicial power. The mainland will not send personnel to Taiwan, neither troops nor administrative staff. The Taiwan authorities and representatives of various circles may join China's national political bodies for discussion of state affairs and decision-making. In economic affairs, Taiwan as a special administrative region may have its own budget and will be under no financial obligation to the mainland. It may continue its foreign trade as usual and maintain its economic and trade relations with foreign countries. All the economic rights and interests of foreign investors in Taiwan will also remain intact. [paragraph continues]

Taiwan is quite strong technologically and experienced in foreign trade while the mainland has rich resources, a huge market and a rapidly developing market and a rapidly developing economy. Consequently, if the mainland and Taiwan carry out exchange and co-operation to make up for each other's deficiencies, it will surely contribute to the prosperity and economic development on both sides of the Taiwan Straits.

We also maintain that before the ultimate peaceful reunification of China, there should be exchanges of trade, mail, air and shipping services between the mainland and Taiwan. Since people on both sides of the Taiwan Straits are Chinese, why can't they do business and have contacts with each other freely? Such exchanges should be conducted even if it is out of pure humanitarian consideration of enabling numerous separated families on both sides of the Taiwan Straits to be reunited. We will make our utmost efforts to this end in the belief that the people in Taiwan will make corresponding efforts. It is our hope that the Taiwan authorities will take a reasonable approach in this regard. We also hope that all people friendly to China and concerned with peace and stability in Asia will understand and support our efforts.

The Taiwan question is also closely linked to Sino-U.S. relations. It is our hope that both the Chinese and U.S. sides will strictly abide by the principles set forth in the three Sino-U.S. joint communiques. And we hope that the U.S. Government will adhere to the principle of recognizing that there is only one China and that the Government of the Peoples Republic of China is the sole legal government of China, so that it may contribute its share to the great cause of the peaceful reunification of China. We are convinced that peaceful settlement of the Taiwan question will further enhance Sino-U.S. friendship and co-operation by eliminating the only obstacle in the way of Sino-U.S. relations and turning negative elements into positive ones. In this sense, both China and the United States will benefit from the peaceful settlement of the Taiwan question.

KANG SHIEN MEETS U.S. AMOCO COMPANY EXECUTIVES

OW090828 Beijing XINHUA in English 0715 GMT 9 Jun 87

[Text] Beijing, June 9 (XINHUA) -- Chinese State Councillor Kang Shien met here today with a delegation led by James W. Cozad, vice-chairman, and Richard H. Leet, executive vice-president, of the American AMOCO company.

Kang Shien had a friendly conversation with the American guests on the cooperation offshore China between the China National Offshore Oil Corporation and the AMOCO company.

YAO YILIN MEETS VISITORS FROM EDMONTON, CANADA

OW101222 Beijing XINHUA in English 1212 GMT 10 Jun 87

[Text] Beijing, June 10 (XINHUA) -- Chinese Vice-Premier Yao Yilin met Laurence Decore, mayor of Edmonton, Canada, and his party here today.

Decore and his party are here as guests of the city government of Harbin, northeast China. Edmonton and Harbin forged friendship ties in 1985 and have since conducted economic and trade cooperation.

NAKASONE TELLS REPORTERS 'THERE IS ONLY ONE CHINA'

OW051448 Beijing XINHUA in English 1441 GMT 5 Jun 87

[Text] Tokyo, June 5 (XINHUA) -- Japanese Prime Minister Yasuhiro Nakasone, commenting on Chinese leader Deng Xiaoping's criticism of Japan, said today the friendship between Japan and China will remain unchanged.

Nakasone told reporters at his residence that "there is only one China, never two Chinas. Friendship between Japan and China will remain unchanged. This basic principle should not be changed."

Deng met Junya Yano, chairman of Japan's second-largest opposition party, Komeito, in Beijing Thursday and called on Nakasone's government to take proper action on a court ruling which awarded ownership of a Chinese student dormitory in Kyoto to Taiwan rather than China.

During the meeting, Deng also mentioned Japan's increase in defense spending beyond its self-imposed one percent of gross national product limit.

Deng's speech has been given wide play in major Japanese newspapers, which termed his remarks the most serious Chinese warning so far about the dormitory issue.

Nakasone also said "there is no fear of Japan becoming a military power."

XINHUA ROUNDUP ON JAPANESE OFFICIAL'S REMARK

OW091873 Beijing XINHUA in English 1802 GMT 9 Jun 87

["Round-up: A Futile Quibble -- (by Liu Wenyu)" -- XINHUA headline]

[Text] Beijing, June 9 (XINHUA) -- Chinese leader Deng Xiaoping made some remarks in regard to the enhancement of Sino-Japanese friendship in Beijing on June 4 when he met Japanese Komei Party Chairman Junya Yano.

Deng, chairman of the Central Advisory Commission of the Chinese Communist Party, reaffirmed the development of Sino-Japanese relations since the normalization of diplomatic relations between the two countries on the one hand and pointed out on the other some problems which make people worried in this respect.

With the best intentions, Chairman Deng urged the Japanese side to strictly abide by the China-Japan joint statement signed in 1972 and the treaty of peace and friendship between China and Japan in 1978. Deng's remarks have evoked a widespread response in Japan and been understood by many people.

A senior official from the Japanese Foreign Ministry, however, declared that Deng, detached from reality, does not grasp the essence of Japan-China relations, according to the Japanese press.

The official also asserted that the actual development of Sino-Japanese relations, such as that in the economic field, has nothing to do with the remarks by these senior officials. Malicious attacks were also found in his remarks.

For this reason, an official from the Department of Asian Affairs of the Chinese Foreign Ministry made solemn and just representations with the charge d'affaires ad interim of the Japanese Embassy in China on the evening of June 6.

The Chinese official made it clear that the senior official of the Japanese Foreign Ministry, in disregard of the rudimentary diplomatic etiquette, made malicious attacks upon China's top leader.

The Chinese Government and people cannot tolerate this incident which is grave in nature, the representations stated. Thereby, the Chinese Government lodged a protest against the Japanese Government.

The representations also pointed out that the Chinese Government is gravely doubtful about the intention and aim of the Japanese side by making such remarks under the present situation. These remarks have not only deeply hurt the feelings of the Chinese people but also brought about negative effects on Sino-Japanese relations.

On June 8, the head of the Asian Affairs Bureau of the Japanese Foreign Ministry in Tokyo tried to explain it away when meeting a senior official from the Chinese Embassy. Since the speech was not recorded and no notes were taken, he said, he could not make any comment.

He also tried to shift the blame onto the Japanese press, saying that the Japanese side would feel regretful if news reports deviated from the original meaning and thus caused misunderstanding.

The Chinese official refuted him on the spot, stressing that Chairman Deng gave an all-sided and well-intentioned account of China's views on Sino-Japanese relations.

It was extremely odious for the high-ranking official of the Japanese Foreign Ministry to fail to state in a positive way the views of the Japanese side but maliciously attack the Chinese leader. Obviously, the Japanese side was shirking its responsibility since it dared not touch the basic fact that had been reported by the press.

Observers here said the high-ranking official of the Japanese Foreign Ministry, who represents the Japanese Government, should be cautious about what he says and does. The pretext that the speech was not recorded and that no notes were taken, put forward to cover up truth, is unconvincing and all attempts to shirk responsibility will fail.

ROUNDUP: CRITICAL POINT IN GULF WAR SITUATION

OW101359 Beijing XINHUA in English 0739 GMT 10 Jun 87

["Roundup: A Critical Point in the Gulf War" -- XINHUA headline]

[Text] Kuwait, June 10 (XINHUA) -- If another U.S. ship or Soviet ship is attacked in the Gulf, what could happen? A tit-for-tat confrontation or all-out involvement of the Gulf states as well as the superpowers in the Iran-Iraqi war? An escalation of the Iran-Iraq war or its end?

U.S. President Ronald Reagan has ordered that the U.S. Navy forces in the Gulf attack any targets which close in on U.S. ships, following the May 17 air attack by Iraq on the U.S. frigate "Stark" in which 37 Americans were killed.

In response, Iranian Parliament Speaker Hashemi Rafsanjani said that if the U.S. Navy forces attack Iran, Iran will dispatch helicopters to make a "suicide" attack on the U.S. warships.

The Soviet Union has warned that it will take "resolute" measures if its ships are attacked when sailing in the Gulf, after a Soviet oil tanker hired by Kuwait hit mines in the Gulf the day before the "Stark" was attacked.

At the same time in Jeddah, Saudi Arabia, foreign ministers of six Gulf Cooperation Council (GCC) states held a meeting to discuss the critical situation in the Gulf area.

The six foreign ministers reiterated the GCC stand that invasion of one GCC member state constitutes invasion of all six GCC nations.

They pledged to create an atmosphere for a peaceful solution to the Iran-Iraqi war and to support the U.N. Security Council's efforts in this respect, and support measures taken by Kuwait to preserve its security and stability and to defend its commercial and economic interests.

In a communique, however, the six foreign ministers failed to disclose how the six GCC nations will respond with one voice to the military presence of the two superpowers in the Gulf, as some had predicted before the meeting.

But during the meeting some of the ministers present were reported to have voiced their concern over the prospect of superpower's direct involvement in the area.

United Arab Emirates Minister of State for Foreign Affairs Minister Rashid 'Abdallah 'Ali al-Nu'aymi said the escalation of the Iran-Iraq war and more frequent attacks on foreign ships navigating in the area left loopholes for foreign countries to exploit.

Saudi Foreign Minister Prince Sa'ud al-Faysal said "We prefer the Gulf to be free from the superpowers' military interference."

And Kuwait's Minister of State for Foreign Affairs Sa'ud Muhammad al-'Usaymi, said his country would not allow any military facilities or bases on its territory to be used by the United States.

In March this year Kuwait -- following attacks on several of its oil tankers -- asked to hire tankers sailing under superpower flags in order to enjoy protection in the Gulf. The Soviet Union responded quickly and agreed to lend to Kuwait six oil tankers which enjoy Soviet Navy escorts. The U.S. did not follow suit immediately.

But after the attack on the "Stark", the United States agreed to register 11 Kuwait ships under the stars and stripes, thereby agreeing to use its naval might to protect the ships. The Reagan administration decided to guard the Kuwaiti ships over objections from a number of members of the U.S. Congress.

But still in question is whether or not Soviet and American ships are secure when operating in the Gulf.

The U.S. Sixth Fleet in the Mediterranean has been reinforced. The 8,200-ton missile-carrying cruiser "USS Fox" was sent to the Gulf, where five U.S. warships were already in good position.

The Soviet Union will dispatch a minesweeper to the Gulf, where it now has three warships.

A U.S. official said the escort operation will help secure the flow of oil and confine Soviet influence in the Gulf.

A spokesman for the Soviet Foreign Ministry said the government is deeply concerned over the situation in the Gulf, noting the waterway is close to Soviet territory.

The new superpower might in the Gulf serves the strategic purposes of Moscow and Washington.

The United States views the Gulf both as a strategic point and as the West's "life line" through which 40 percent of the crude oil used in the West flows. The Soviet Union, however, will not stand by and allow the U.S. to take advantage of the situation to consolidate its military position in the area.

Under this military pressure from the two superpowers, will Iran now seek support from the Gulf states to mediate between it and Iraq?

Also last week, Iran's Foreign Minister 'Ali Akbar Velayati and his deputy minister visited the moderate Gulf states of the United Arab Emirates, Qatar and Bahrain and conveyed letters from Iranian President 'Ali Khamene'i to the leaders of the states. It was learned that Iran is against the superpower interference and wants to see the countries in the region guarantee safe shipping in the Gulf instead.

Despite a number of earlier setbacks in efforts to mediate between Iran and Iraq, Omani Minister of State for Foreign Affairs Yusuf al-Alawi 'Abdallah went to Tehran last month to study the possibility of Iran's agreeing to mediation by the Gulf states. The major question now is whether the Gulf states can exploit the situation to bring Iran and Iraq to the negotiating table.

YANG CHENGWU MEETS ISLAMIC CONFERENCE LEADER

OW050732 Beijing XINHUA in English 0704 GMT 5 Jun 87

[Text] Beijing, June 5 (XINHUA) -- Yang Chengwu, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, met Syed Sharifuddin Pirzada, secretary general of the Organization of Islamic Conference (OIC), and his party here today.

YANG SHANGKUN DELEGATION ARRIVES IN PARIS

OW080005 Beijing XINHUA in English 2356 GMT 7 Jun 87

[Text] Paris, June 7 (XINHUA) -- The Chinese Government delegation, led by Yang Shangkun, vice-chairman of the Central Military Commission of China, and Fang Yi, state councillor and deputy head of the delegation, arrived here this evening for a two-day stopover.

Yang and the delegation came here after they ended their visit to the United States and Canada. During his stay here, Yang is scheduled to meet French Government leaders.

Upon his arrival at the airport, Yang and his party were welcomed by officials of the French Foreign Ministry and Chinese Ambassador Zhou Jue.

Meets French Premier

OW100018 Beijing XINHUA in English 0002 GMT 10 Jun 87

[Text] Paris, June 9 (XINHUA) -- French Prime Minister Jacques Chirac received and held talks with a high-ranking Chinese Government delegation here today. The delegation, led by Yang Shangkun and State Councillor Fang Yi, arrived here on a stopover Sunday evening on its way home from a tour of the United States and Canada.

During their talks, Chirac stressed that the Franco-Chinese relations are excellent. Politically, the two countries have similar views on major international issues, and economically, they should continue to develop their cooperation to make it compatible with the good political relations, Chirac said.

Yang conveyed greetings to Chirac from Chinese leaders Deng Xiaoping, Li Xiannian and Zhao Ziyang. The Chinese side is satisfied with the excellent relations existing between China and France, Yang said, adding the two countries have identified views on many international issues.

The economic relations between China and France are developing rapidly and are expected to develop even faster in the future, Yang emphasized.

According to sources here, Chirac and Yan also discussed some international problems, particularly the disarmament issue.

Following the talks, Chirac told reporters that he discussed with his guests international problems, East-West relations, disarmament and relations between the two countries.

"Our views on the major political problems are identical. There is great convergence of views on strategic and military problems, on the problems of security and disarmament," Chirac said. All this proves that there are very friendly relations between the two countries, Chirac added.

The French prime minister said both sides agreed that the INF (Intermediate Nuclear Forces) -- the Soviet SS-20 and American Pershing-2 -- should be totally eliminated.

The Chinese Government delegation had a working lunch with French Defense Minister Andre Giraud Tuesday.

PAP SAYS POLISH POLITBURO PRAISES ZHAO'S VISIT

OW110720 Beijing XINHUA in English 0703 GMT 11 Jun 87

[Text] Warsaw, June 10 (XINHUA) -- Poland said Chinese Premier Zhao Ziyang's visit to the country has strengthened the cooperation and friendly relations between the two countries, the Polish official news agency PAP reported today.

The Political Bureau of the Polish United Workers' Party, which met Tuesday to discuss Zhao's visit, the first by a top Chinese leader in a quarter of a century, said the talks between leaders of the two countries show that the two countries and parties share the desire for joint actions in strengthening world peace and security.

The Political Bureau said the Polish party will cooperate actively with the Chinese Communist Party so as to enable them to learn each other's experience in carrying out economic reform, improving state institutions and strengthening the party's role in developing socialist democracy.

The Politburo noted that the cooperation between the two countries in trade, economy and science and technology is of far-reaching significance. Polish economic departments will take further actions to develop economic relations with China and will particularly seek new forms to expand the cooperation and speed up scientific and technological progress.

The Politburo pointed out that the political dialogues will be continued between the two countries and joint actions will be taken to reduce arms and promote world peace and security.

ZHAO ZIYANG CONTINUES VISIT TO DEMOCRATIC GERMANY

Visits Berlin School

OW102016 Beijing XINHUA in English 1522 GMT 10 Jun 87

[Excerpt] Berlin, June 10 (XINHUA) -- The Democratic Germans today renewed the memory of an outstanding Chinese marshal by naming after him a school in the capital.

Visiting Chinese leader Zhao Ziyang attended the ceremony to name Berlin's 28th school "Marshal Zhu De Polytechnic School" and presented to the students a bust of the marshal in the uniform of the Chinese Red Army.

Zhu De (1886-1976), one of the most outstanding Chinese revolutionaries and co-founder of the Chinese [People's] Liberation Army [PLA], joined the Chinese Communist Party in 1922 during his stay in Berlin and later became commander-in-chief of the Red Army fighting against the reactionary government in China.

After the Chinese People's Republic was founded in 1949, he became marshal of the PLA and chairman of the National Congress. Zhu visited Democratic Germany in 1956.
[passage omitted]

Praises Peace Efforts

OW101300 Beijing XINHUA in English 1246 GMT 10 Jun 87

[Text] Berlin, June 10 (XINHUA) -- Visiting Chinese leader Zhao Ziyang today spoke highly of what Democratic Germany has done to ease international tension, promote disarmament and defend peace in Europe and the world at large.

Speaking in a press interview here this morning at the guest house where he is staying during a four-day visit to this country, Zhao said that although China and Democratic Germany are far apart from each other geographically and differ in domestic conditions, both need a lasting international peaceful environment for their socialist construction.

He declared that in following an independent and peace oriented foreign policy, China will work unswervingly for easing international tension, for disarmament and for safeguarding world security and stability.

He promised that his country will join the efforts of Democratic Germany and other peace-loving nations in defending world peace, which, he believed, stands a very good chance of success.

Zhao took the opportunity to thank the host country for its assistance extended to China in its socialist construction in the 1950s and called for continuing the relations between the two states and parties of China and Democratic Germany on a long-term, comprehensive, steady and stable basis.

Since his arrival here from Warsaw Monday, Zhao, acting general secretary of the Chinese Communist Party and premier of the State Council, has held official talks with the Democratic German Party and State leader Erich Honecker and Premier Willi Stoph.

Both sides agreed that the visit to China last October by Honecker opened a new chapter in the relations between the two countries and parties and that Zhao's visit will bring their links of friendship and cooperation up to a still higher plane.

Zhao will fly to Prague tomorrow to continue his five-nation East European tour.

Economic Cooperation to Expand

OW101330 Beijing XINHUA in English 1319 GMT 10 Jun 87

[Text] Berlin, June 10 (XINHUA) -- China has decided that the socialist countries in East Europe will take a bigger share than before in China's economic cooperation with the outside world, Premier Zhao Ziyang said here today.

The Chinese premier announced the decision in a meeting with Democratic German Premier Willi Stoph at the latter's office in the house of the Council of Ministers in downtown Berlin this morning.

He told his host that China is ready to discuss new ways and means to expand the areas of cooperation with Democratic Germany. The rapid increase of contact between the two countries in the last few years has laid a foundation for a sustained and stable growth of bilateral links, he said.

Stoph said to Zhao that his country has the same desire as China does to develop bilateral relations and that in doing so the emphasis should be placed on economic and scientific and technical cooperation.

He also noted that the purpose of his country in developing relations with China is to serve peace and socialism.

The two leaders agreed that joint efforts are needed to tap the potentials to bring Sino-DRG ties of friendship and cooperation still higher.

Zhao, who began an official visit to this country Monday in his capacity as acting general secretary of the Chinese Communist Party and premier of the State Council, invited Stoph to visit China. The invitation was accepted with pleasure, according to a Chinese source travelling with Zhao.

The Chinese leader has held official talks with Democratic German party and State leader Erich Honecker since arrival here. This was their second meeting after they got to know each other during Honecker's visit to Beijing last autumn.

CSSR PAPERS FEATURE PRC PRIOR TO ZHAO ZIYANG VISIT

OW100026 Beijing XINHUA in English 0019 GMT 10 Jun 87

[Text] Prague, June 8 (XINHUA) -- The Czechoslovak press has published articles introducing China's achievements in socialist construction before Zhao Ziyang, Chinese premier and the Chinese Communist Party's acting general secretary, arrives here for a visit on June 11.

On May 22 and 26 and June 3 and 9, the Czechoslovak Communist Party newspaper "RED RIGHT" [RUDE PRAVO] published four news features written by its reporter Vladimir Divis on China's tree-planting drive, the on-going economic reform, the development of the Shenzhen Special Economic Zone and the life of fishermen.

The Czechoslovak official news agency CTK today also carried two articles reviewing the two countries' relations.

The articles pointed out that Czechoslovak Premier Lubomir Strougal's visit to China in April was a major event in Czechoslovak-Chinese political and economic ties. There are still broader prospects for furthering such friendly ties, the articles said.

A commentary by the "ZEMEDELSKE PŮVINY" (agriculture) newspaper today said Zhao's current trip to five East European nations is of great significance. The visit will promote mutual understanding and trust between Czechoslovakia and China, it added.

HAO JIANXIU MEETS ROMANIAN PARTY WORKERS GROUP

OW091012 Beijing XINHUA in English 1003 GMT 9 Jun 87

[Text] Beijing, June 9 (XINHUA) -- Hao Jianxiu, member of the Secretariat of the Chinese Communist Party Central Committee, met and gave a dinner here tonight for a party workers delegation from the Romanian Communist Party (RCP) led by Eleonora Cojocaru, member of the RCP Central Committee.

NPC STANDING COMMITTEE MEETING OPENS 11 JUN

Peng Zhen Chairs Meeting

OW111016 Beijing XINHUA Domestic Service in Chinese 0643 GMT 11 Jun 87

[Text] Beijing, 11 Jun (XINHUA) -- The 21st meeting of the Sixth NPC Standing Committee opened at the Great Hall of the People today.

Chairman Peng Zhen presided over the meeting.

At the beginning of the meeting, Wang Hanbin, secretary general of the NPC Standing Committee, explained the draft agenda of the meeting, which was approved by the members.

According to the agenda, the meeting will discuss once again the "(draft) technology contract law of the PRC," which went through a preliminary discussion at the last Standing Committee meeting, and discuss the "(draft) law of the PRC for the prevention and treatment of air pollution" and the "(draft) PRC archives law," submitted by the State Council.

During the meeting today, Song Rufen, vice chairman of the NPC Law Committee, explained the result of its deliberations on the draft law on technology contracts. Ye Rutang, minister of urban and rural construction and environmental protection, and Han Yuhu, director of the State Bureau of Archives, respectively explained the draft law for the prevention and treatment of air pollution.

The meeting will also examine and ratify the "Joint Declaration of the Government of the PRC and the Government of the Republic of Portugal on the Macao Issue," and hear several reports, including one by Vice Finance Minister Tian Yinong on the 1986 final state accounts, one by secretary general of the State Council Chen Junsheng on the Daxinganling forest fire, and several on NPC delegations' overseas tours.

The meeting will also decide on a number of personnel appointments and removals.

Vice chairmen attending the meeting today were Chen Pixian, Wei Guoqing, Geng Biao, Peng Chong, Wang Renzhong, Zhu Xuefan, Bainqen Erdini Qoigyil Gyaincain, Sepidin Aizezi, Zhou Gucheng, Yan Jici, Rong Yiren, Ye Fei, Liao Hansheng, Huang Hua, and Chu Tunan.

State Councillor Kang Shien and president of the Supreme People's Court Zheng Tianxiang attended the meeting as observers.

Air Pollution Law Discussed

OW110958 Beijing XINHUA in English 0944 GMT 11 Jun 87

[Text] Beijing, June 11 (XINHUA) -- A draft law on the prevention and treatment of air pollution has been submitted to the Standing Committee of the National People's Congress (NPC) for deliberation.

Ye Rutang, minister of urban and rural construction and environmental protection, explained the details of the new law to the 21st meeting of the Sixth NPC Standing Committee which opened here today.

China is facing a serious air pollution problem that is still growing, Ye Rutang said.

For many years, Ye said, disputes over air pollution have made a negative impact on the country's economic and social development.

Air pollution has become an "outstanding problem" in the country's environmental protection efforts, Ye stated.

The draft which was submitted to the committee by Premier Zhao Ziyang has been approved by the executive conference of the State Council.

Draft Archives Law Explained

OW111000 Beijing XINHUA in English 0947 GMT 11 Jun 87

[Text] Beijing, June 11 (XINHUA) -- China now has 3,131 archive offices containing millions of historical documents and records of special events at the central and local levels, according to the State Archives Bureau.

This was disclosed by Han Yuhu, director of the bureau, in his explanations of the draft archives law to the 21st meeting of the Sixth National People's Congress (NPC) Standing Committee here today.

More than 80 million volumes are housed in these archive offices, including 20 million historical records and 40 million volumes documenting events since the founding of New China in 1949, the director said.

The archives have played an important role in the country's socialist revolution and economic construction, Han said. However, he added, a large number of records were damaged during the ten-year "Cultural Revolution" (1966-1976). This is a great loss that cannot be remedied, he said.

Because there are no laws or regulations in this field historical records are still being damaged and a large number of historical and valuable records are left unattended, he said.

TAIWAN ATHLETES 'WELCOME' AT BEIJING-ASIAN GAMES

HK101242 Hong Kong AFP in English 1235 GMT 10 Jun 87

[Text] Beijing, June 10 (AFP) -- China would warmly welcome athletes from its political rival Taiwan if they competed in the Asian Games here in 1990, the vice-president of the games organizing committee said here Wednesday.

Vice-president He Zhenliang was speaking at a press conference to announce that his committee had decided the programme of events for 24 of the 26 sports to be played at the 11th Asiad, to be held from September 27 to October 5, 1990.

China would give a "warm welcome" to Taiwan athletes, Mr He said.

"We guarantee that the delegation will enter and leave the mainland freely," he declared. The security of any Taiwan team would also be guaranteed, he said.

China took over Taiwan's seat on the Olympic Council of Asia, the Asian Games' parent body, in 1974, but Taiwan rejoined the council in 1986 under the designation China-Taipei.

Taipei bans all contact between Taiwan and China.

Mr He said the South Korean team would receive the same treatment as the North Koreans at the Beijing Asiad.

Although China has no diplomatic relations with South Korea, a Chinese team competed in the 1986 Asian games in Seoul, to the annoyance of China's ally North Korea, which boycotted the Seoul Asiad.

A Vietnamese team would also be welcome at the 1990 games, Mr He said.

China and Vietnam has been in conflict since 1979.

Mr He, who is also the vice-president of the Chinese Olympic Committee, said nothing in support of the North Korean claim to be considered co-host of the 1988 Olympic Games in Seoul Olympics if its claim is not met, but China's participation is generally considered assured.

China has yet to state its official position on the North Korean demand.

North Korea has threatened to lead a boycott of the Seoul Olympics if its claim is not met, but China's participation is generally considered assured.

Mr He admitted he was worried about how China would pay for the Asiad facilities, which are expected to cost two billion yuan (540 million dollars).

The government has set aside 700 million yuan (189 million dollars) and banks 220 million yuan (59 million dollars) for the facilities.

The rest of the money will come from other sources, Mr He said, such as sponsors like the Coca-Cola soft drink and Kodak film companies, public collections and a financing agency set up by the Beijing City authorities.

Construction of the Beijing Asiad facilities began in October and will be finished in 1989, he said, adding 16 new stadiums, gyms and other venues to the 11 already in place.

Most of the facilities will be in Beijing, but some water sports will held in Qinghuandao, on the coast some 300 kilometres (190 miles) to the east.

An "olympic village" with room for 6,000 athletes is to be built in northern Beijing at a cost of 700 million yuan (189 million dollars).

Mr He said the authorities here were very much concerned about security during the Asiad and that a special body had been set up to oversee security matters.

A campaign is to be mounted to get the Chinese public to demonstrate "courtesy and civilization" in accordance with the "socialist ethic" in dealing with foreign teams at the games, Mr He said.

CENTRAL PROPAGANDA DEPARTMENT FORUM ON REFORM

OW091415 Beijing XINHUA Domestic Service in Chinese 0601 GMT 9 Jun 87

[Excerpt] Beijing, 9 Jun (XINHUA) -- Following a discussion meeting attended by a number of theoretical workers and journalists in Beijing last month, the Propaganda Department of the CPC Central Committee again invited a number of comrades from various economic departments who are engaged in research work to attend a forum on 4 and 5 June to discuss how to strengthen propaganda work on the theory of reform and study problems and also to listen to their opinions. The meeting was presided over by Wang Weicheng, deputy head of the CPC Central Committee Propaganda Department.

The comrades taking part in the forum held that in order to strengthen propaganda and study the theory of reform, it is imperative to wholly and correctly grasp the two essential points of the line of the 3d Plenary Session of the 11th CPC Central Committee. They said: In building socialism with Chinese characteristics, we must fully understand that if we do not adhere to the four cardinal principles, the reform and open policy will slide into bourgeois liberalization and be disrupted and that if we do not firmly carry out the reform and open policy, the four cardinal principles will lose their vitality of integrating with reality, we will find it impossible to fully develop the superiority of socialism, the masses will lose their interest, and the four cardinal principles cannot be upheld as we wish. The participants pointed out that during the previous period we stressed propaganda on opposing bourgeois liberalization and that was necessary. From now on, we should equally stress positive education on the four cardinal principles and publicizing the policies of reform, opening to the outside world, and invigorating the domestic economy. Moreover, the two should promote each other.

In their speeches, many comrades emphatically pointed out that poverty is not socialism, that the fundamental task of socialism is to develop productivity, and that in observing the results of reform it is necessary to consider the development of productivity as the principle criterion in judging the correctness or incorrectness of reform measures. All reform measures which can promote the development of productivity should be affirmed and supported. We should have courage to eliminate and change the old ideology and system that hamper the development of productivity. [passage omitted]

DENG XIAOPING QUOTED ON PRACTICING SOCIALISM

HK100743 Hong Kong WEN WEI PO in Chinese 10 Jun 87 p 1

["Dispatch": "Deng Xiaoping Discourses on Socialism"]

[Text] Shanghai 9 Jun -- Recently, Deng Xiaoping, chairman of the Central Advisory Commission, explained the meaning of socialism. He said: "To practice socialism, we must have well-developed productive forces because poverty is not socialism."

Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, reportedly revealed the above-mentioned information recently when he inspected work at two research institutes in Shanghai. Rui Xingwen said: Deng Xiaoping recently pointed out: "To practice socialism, we must have well-developed productive forces because poverty is not socialism. We should uphold socialism. However, to make further efforts to build a socialism which is superior to capitalism, it is first necessary to get rid of poor socialism. Although we are now practicing socialism, we are not in fact sufficiently qualified. [paragraph continues]

Only when we reach the level of countries with intermediate development, in the middle of the next century, can we say that we genuinely practice socialism and can we say, with perfect assurance, that socialism is superior to capitalism. We are now taking this path."

Rui Xingwen also revealed: Zhao Ziyang has expounded this idea of Deng Xiaoping's on numerous occasions, holding that Deng's talk is a reunderstanding of socialism, carries new meanings, and is quite enlightening. Now, it should draw people's attention.

Rui Xingwen also said: Now that we are still at the initial stage of socialism, developing the productive forces is a very important problem. Only when we solve this problem of understanding can we usher in a new technological revolution and practice socialism with Chinese characteristics.

DENG XIAOPING'S CONTINUED LEADERSHIP VIEWED

HK100243 Hong Kong SOUTH CHINA MORNING POST in English 1 Jun 87 p 20

[Editorial: "Wily Deng a Master of Political Arts"]

[Text] The art of politics and politicising is a complex one. It needs the shrewd manoeuvring of a Machiavelli, the will of a Thatcher, the public relations skills of Gorbachev, the survival mentality of a Reagan and the ability to meld all of those traits into ensuring the intended result.

Public perception of those traits places politicians considerably lower down the list of professions admired and respected by the masses. Politicians are not necessarily believed when they postulate, rather, it is what they mean to say, or don't say at all, that is grasped as important.

From their mouths they have set the tone for such an arrogant and cynical interpretation of their place. So often politicians are heard to quip the three great rules of their "game", as many of them call it, -- gain power, make sure you keep it and if you are going to call a public inquiry into anything, ensuring you know the result well in advance of actually announcing it.

Such characteristics are certainly found in the Western politician, voted into power under democratic institutions and forced to survive the scrutiny of a doubting public every three or four years. It is a cruel game played by tough people.

And so it is in the East, highlighted by two instances within the last week. Mr Deng Xiaoping's announcement to a visiting Japanese leader during a discussion on the future Chinese hierarchy reveals that he shares the skills of those who would hold or aspire to similar positions in the West. Cryptic in the manner of Chinese politicians, Mr Deng declared he would step down from the party Politburo in October.

The country, he declared, needed younger men leading it and it was time for an old campaigner like him to call it a day. The ramifications of such a decision were, of course, not spelled out in that it would greatly influence other elderly veterans to step down also, paving the way for this younger generation. [paragraph continues]

Such action can clearly be seen as a manipulative one, particularly in view of the rider Mr Deng placed on his so-called retirement - that he would still maintain power. One must assume, therefore, that the younger men will be "Deng's men." October, it would seem, will see some of China's older politicians, those whom Mr Deng would prefer to see in retirement, lamenting the crueler side of politics.

While it is true to say that such leaders as Mr Hu Yaobang and Mr Zhao Ziyang, together with a host of reform-minded colleagues, have created the New China, it is Mr Deng who has provided the guidance. He has indicated on many occasions that he would like to retire from active duties, but a power vacuum between Mr Deng's retirement and the emergence of a solid, younger leadership is undesirable. There is little counter-argument to Mr Deng's desire to continue to set the direction of change. Despite some upheavals along the way, Hong Kong has shown continued growth, with confidence remaining remarkably stable, during Mr Deng's term of leadership in China.

CHENG MING ON DENG XIAOPING'S 'THREE BIG PROBLEMS'

HK091134 Hong Kong CHENG MING in Chinese No 116, 3 Jun 87 p 9, 10

[Article by contributing correspondent Chang Chuan (1603 1557): "Deng Xiaoping's Three Big Problems"]

[Text] Worried That the Opposition to Bourgeois Liberalization Would Deal a Blow to the Economy [subhead]

In mid-May, after listening to the work report presented by Zhao Ziyang, Yao Yilin, and others, Deng Xiaoping became very concerned about the current economic difficulties and problems as well as the danger of the struggle to oppose bourgeois liberalization dealing a blow to the economic tasks and reforms. He made some remarks, the gist being that not only must reforms and opening up to the outside world be upheld, but that they must be accelerated; that the opposition to bourgeois liberalization should not "leap beyond its boundaries" and spread to the economic field. The satisfactory conduct of the struggle would depend on whether the economic tasks were carried out well. (Deng meant that only if the economy has improved can the opposition of bourgeois liberalization said to be satisfactorily dealt with.)

Criticizing Li Peng on the Forest Fires [subhead]

While Deng Xiaoping may not be a thorough reformer, he too could clearly sense that if the economy is not reformed, there can be no future. He has been thrown into a conflict between, on one hand, the opposition of bourgeois liberalization and, on the other, upholding of the reforms, and could not extricate himself from it.

The forest fires in Heilongjiang brought about immense losses to China's forestry industry and other areas. Deng Xiaoping was very angry over the matter and criticized the Ministry of Forestry (Minister Yang Zhong), saying "their minds have been paralyzed, for they should have made better preparations way back." He also criticized Li Peng, claiming that he moved too slowly and visited the frontline only on the 7th day of the fires.

These are the economic issues confronting Deng Xiaoping.

Choice for General Secretary Remains Unsolved [subhead]

Another of Deng Xiaoping's worries is his being placed in the "center" of the standoff between the left extremist faction and Zhao Ziyang.

Although he is a conservative, he is well aware that should party, state, and military powers all fall into the hands of the likes of Peng Zhen, Bo Yibo, Chen Yun, Hu Qiaomu, Deng Liqun, and Wang Zhen, the future of the CPC would not look good. Hence, he hoped to find a general secretary from among members of the Political Bureau and the Standing Committee who would also favor reforms. Until now, this person could only be Zhao, although Zhao Ziyang admittedly could manage the economy better than the party affairs. However, Deng is confronted with two problems: One is that Zhao has indicated his reluctance to assume the position; two is that the old people have sent an endless barrage of "candidates' list for the position of general secretary." Names listed included Deng Liqun, Bo Yibo, Xu Zhongxun, and others. After repeated deliberations, Deng Xiaoping stuck to his original plan and asked Zhao Ziyang to remain in the post until after the issue is settled at the "13 CPC Congress." However, it is believed that the old people would have misgivings. Since Zhao Ziyang had nominated Yao Yilin to the premiership, some people in the conservative faction took advantage of the issue to say: "He (referring to Yao) will have to choose either the premiership or the general secretary position."

Choices for Premiership Even Trickier [subhead]

The choices for the premiership is even trickier.

Yao Yilin has graciously turned it down.

Li Peng does not enjoy popular support (international prestige).

Tian Jiyun has limited capabilities.

Li Ruihuan is not a popular choice.

Some people have mentioned Li Tieying, son of Li Weihan, but Deng Xiaoping may find it difficult to accept because Li Tieying is the offspring from the union of Li Weihan and Deng's former wife, beautiful Korean national Jin Weiying. However, Li Tieying has recently been promoted from minister of electronics to chairman of the State Commission on Economic Structural Reforms (former chairman was Zhao Ziyang). This demonstrates that Deng Xiaoping is quite magnanimous in this regard.

As of now, the choice for premiership has still to be finalized. Sources close to Zhao Ziyang told reporters that the future premier would be a dark horse. A question among Beijing people is: The possibility of it being Li Tieying is not remote?

"Little Deng Liqun" Has Struck a Sensitive Nerve [subhead]

These are not the only matters troubling Deng Xiaoping, for there are still many problems involving personalities. For instance, reports have it that Deng Liqun and his group had originally wanted to have a writer known as "Little Deng Liqun" made deputy head of the Central Propaganda Department in order to share the work burden of Wang Renzhi and He Jingzhi. [paragraph continues]

However, when the report reached Zhao Ziyang, he vetoed it. Deng Liqun and his group immediately brought the matter before Deng Xiaoping, and Zhao Ziyang was summoned to "explain his reasons." Zhao told him that this "candidate" for the position of deputy head of the Central Propaganda Department had once penned an article entitled "Ferret Out the Small Clique Within the Army" during the Cultural Revolution. Hearing this, old Deng was infuriated and said: "How can that be permitted!" (Deng cannot stand the provocation of the "Ferret Out the Armed Liu-Deng Line" incident of the Cultural Revolution.)

Amid the power struggle between Zhao Ziyang and the likes of Deng Liqun, Deng Xiaoping's days are not pleasant at all. With the approach of the 13th CPC Congress, his troubles are bound to multiply.

This is his political concern.

Production Sabotage Continues To Take Place in Beijing [subhead]

Before and after the fall of Hu Yaobang, numerous cases of production and installation sabotage were reported in Beijing's factories and were of great concern to Deng Xiaoping.

In Beijing's car manufacturing plant, some workers used small knives to scar newly-painted cars every day, and this alone brought losses up to more than 10,000 yuan a day. Beijing noodle manufacturing plant workers throw glass bits into the flour, causing frequent work stoppages. The underground pipes of the Beijing petrochemical plant were plugged up by workers, creating production accidents and work stoppage. The air conditioning system of a cold storage plant in Beijing's southern suburbs were secretly turned off by workers, resulting in the spoilage of large amounts of fresh provisions.

Sabotage by workers is their way of channeling discontent. They are unhappy with the low wages, high prices, and undemocratic politics. Not a few workers remarked: "They fight it out over our heads, persecute one another, but paying the price are the ones below, the workers!"

Driver and Cook Disapproved of Hu's Ouster [subhead]

A "resident of Zhongnanhai told a reporter that Deng Xiaoping recently broke precedent and twice summoned his staff to ask their opinions. One driver and one cook explicitly professed differing opinions on Hu Yaobang's "resignation," while others reported on the views of the ordinary people. Deng Pufang also aired his views several times. Since the shakeup in the political situation, Deng Xiaoping does not have dinner with his family as frequently as before, and this is indeed a rarity.

Based on the different indications, as well as the people's opinions that Deng Xiaoping himself amassed, Deng Xiaoping knows that his own popularity has declined with Hu's resignation. How can the losses be recouped?

This is the social concern of Deng Xiaoping.

Since 1987, with Hu's ouster and the increasingly intense struggle between the left extremists and the reformists, Deng Xiaoping's political worries have also multiplied. For an 83-year-old man, are these psychological pressures not too much to bear?

LI RUIHUAN COMMENTS ON RUMORED PROMOTION

HK090655 Hong Kong WEN WEI PO in Chinese 9 Jun 87 p 2

[Dispatch from WEN WEI PO correspondent in Tianjin on 8 Jun; "Li Ruihuan Discusses 'Fear of Fame'"]

[Text] At today's press conference, Li Ruihuan, who is widely rumored to be promoted to a higher post in Beijing, said that he dared not think about it and it is also impossible. Furthermore, this is not his personal matter, but has to be decided by the CPC Central Committee.

Answering the question raised by some correspondents, Li Ruihuan said: First, I must thank you for appraising me so highly, but I am not that capable, nor should I be compared with Zhao Ziyang for what he did in Sichuan years ago. I am of humble origin and now assume the post of Tianjin mayor. Our Baodi County (Li Ruihuan's hometown) has never seen such a high-ranking official. It is unimaginable for a carpenter to become a mayor. As for higher posts, I dare not think about it. As a matter of fact, it is impossible. This is not a personal matter. A personal matter is nothing, but the matter of 1 billion people is important. As for my future and fate, what I can tell you now is that I have no idea. I am in Tianjin today and might be in another province tomorrow. Are we talking about the four cardinal principles? One of the four is upholding the party's leadership. I will go wherever the CPC Central Committee asks me to go.

He also said humorously: "Personally speaking, 1) I need not make enquiries here and there, for it is useless. 2) I will not think about this, as it is of no benefit. 3) I am just waiting. I will go and work wherever I am assigned. So, I personally have no more to say on this matter."

Li Ruihuan also spoke of the publicity given to him by correspondents. He said: People in all fields have praised me too much. 1) I am grateful to them for this. 2) I object to this. You have praised me too much and criticized me too little. This is unfair and untrue. Publicity of this kind has advantages, namely, expanding my influence and helping promote Tianjin's work, as well as disadvantages, just like a Chinese proverb goes: "A man dreads fame as a pig dreads being fat."

FRENCH PAPER INTERVIEWS FANG LIZHI'S WIFE

PM101110 Paris LIBERATION in French 6-7 Jun 87 p 14

[Romain Franklin dispatch: "Wife of China's Sakharov Speaks"]

[Text] Beijing -- "The mere fact that a country can produce a 'Sakharov' shows that that country is not democratic.... As for whether the description 'Chinese Sakharov' fits my husband, I would rather leave that to others to answer." This was said by the wife of Fang Lizhi, the astrophysicist expelled from the CPC in January. He was accused of "inciting" his students at the Science and Technology University to campaign in the streets of Hefei for more democracy and of having acted as a catalyst for the storm of protests that shook 150 of the country's campuses in December.

Li Shuxian (Mrs Fang), a 52 year old physics teacher at the prestigious University of Beijing, learned only last Monday of her election by an overwhelming majority (8,600 out of 9,688 votes) to the post of NPC delegate for the second district of Haidan -- Beijing's "Latin Quarter." "I did not stand as a candidate; it was the students who chose me. Why? Ask them," she said, fidgeting nervously with her handkerchief.

Sitting at a desk piled with scientific reports, a shortwave radio, and a photograph of her two children (one of them is studying in the United States), Li Shuxian pointed to a bookcase carrying hundreds of volumes: "Romain Rolland, our favorite author." Sitting in the couple's cramped two-room concrete floored apartment, Li Shuxian said she "completely refutes the unjust charges" that led to her husband's expulsion from the CPC. "History will show that he was right."

"Propaganda attributed to him (exaggerated -- LIBERATION editor's note) remarks that he did not make," she said. Speeches by the astrophysicist, cited in support of the charge that he advocated "extreme Westernization" and widely distributed as a "negative example" among CPC cadres, have been used extensively to justify the "conservative" wing's powerful ideological offensive, we were told. This manifestation of the constant feature of Chinese politics, whereby the rudder is pushed hard over as the surest way of turning about without a transition, is confirmed by Li Shuxian's further disclosure of encouragements given to the "dissident" scientist by the reformist movement at the height of the anti-liberal campaign: "In February," she said, "Deputy Prime Minister Wan Li himself authorized Qian Zhirong, a Chinese-American scientist, to visit to convey to us the support of the Chinese scientific community abroad."

"Fang Lizhi and I are scientists and in science, as in politics, it is the quest for the truth that counts." "It is necessary to build a democratic society without privileges and without exploitation," she explained in brief remarks to the students, with who she says she "shares the same ideas." "The students of your generation are very different from those of the fifties, blinded as we were by our idealism. If the party said we were wrong, we believed it." Condemned as a "rightist" in 1957 for drafting a letter to the CPC Central Committee urging the "expansion of socialist democracy" and exiled to the countryside, Li Shuxian was not rehabilitated until 1979.

"Your outlook is much broader than ours; you are more intelligent and more mature," she told young people, who are often portrayed as "irresponsible" in the media. "If they demonstrated (in December -- LIBERATION editor's note) it was for the good of their homeland...."

Even though Fang Lizhi is authorized to travel abroad (thanks to Prime Minister Zhao Ziyang's intervention, some say), he is still treated as a pariah: Several of his scientific articles have recently been returned by various publications and, among other things, he was not authorized to attend a scientific conference at the Hefei University of Sciences in April.

Some observers are convinced that the election of the dissident's wife, who remains one of the most vigorous advocates of democratization, could not have happened without the backing of top officials -- perhaps a sign of another swing to the right following the ideological excesses of the past 5 months.

WAN LI GREETES YANG SHANGKUN ON BEIJING RETURN

OW110758 Beijing XINHUA in English 0747 GMT 11 Jun 87

[Text] Beijing, June 11 (XINHUA) -- The Chinese Government delegation with Vice-Chairman Yang Shangkun of the Central Military Commission of China as its leader and State Councillor Fang Yi as its deputy leader returned to Beijing today after an official visit to the United States and Canada.

Greeting the delegation at the airport were Wan Li, acting Chinese premier, Yu Qiuli, director of the General Political Department of the Chinese People's Liberation Army (PLA), Wang Zhen, vice-chairman of the Chinese Communist Party Central Advisory Commission, Wang Feng, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, and He Qizong, deputy chief of PLA General Staff.

U.S. Ambassador to China Winston Lord and Canadian Ambassador to China Richard V. Gorham were also present at the airport to greet the Chinese delegation.

On its way home, the delegation had a two-day stopover in Paris. French Prime Minister Jacques Chirac, President of the Senate Alain Poher and Defense Minister Andre Giraud met Yang and his party during their stay in Paris.

TIAN JIYUN TOURS MECHANIZED DAIRY FARM 10 JUN

OW102004 Beijing XINHUA Domestic Service in Chinese 1329 GMT 10 Jun 87

[Text] Beijing, June 10 (XINHUA) -- Chinese Vice-Premier Tian Jiyun toured China's first mechanized dairy farm, in Beijing's suburban Changping County, today.

Designed by Chinese researchers with the help of Erwin Engst and his wife Joan Hinton from the U.S., the farm also passed technical assessments today.

Tian Jiyun expressed his gratitude to the U.S. couple their efforts to help expand China's dairy industry and wished them still greater successes in the future. Engst and his wife have been working in China for 40 years.

The farm, designed by 17 research institutes and built in five years, has mechanized all processes from feed processing, milking, and milk storage to transport. Its 72 cows produced an average of 7,200 liters of milk last year.

Accompanying Tian Jiyun on this tour were Huang Hua, vice chairman of the NPC Standing Committee; Du Runsheng, director of the Rural Policy Research Center of the Secretariat of the CPC Central Committee; Zhu Jiahua, minister in charge of the State Machine-Building Industry Commission; and Yang Ligong, permanent member of the NPC Standing Committee.

WANG SHOUDAO ADDRESSES POPULATION FOUNDATION GROUP

OW101417 Beijing XINHUA in English 1344 GMT 10 Jun 87

[Text] Beijing, June 10 (XINHUA) -- The China Population Welfare Foundation, a fund raising organization that serves the countries family planning program, was established here today.

Addressing the founding conference, Wang Shoudao, president of the foundation and a member of the Standing Committee of the Central Advisory Commission of the Chinese Communist Party, said China faces a serious population problem.

He noted that many foreign friends are concerned with population problems and made donations to help with China's population control. He said many overseas countrymen, and compatriots from Hong Kong and Macao expressed their willingness to donate.

He noted that the foundation will accept donations from international organizations, foreign governments, foreign friendship organizations and individuals.

The donations, he said, would be used to carry out population and family planning programs according to the wishes of the donors.

The foundation will also set up a fund to award those who make extraordinary contributions to population control causes.

Deng Yingchao, chairman of the National Committee of the Chinese People's Political Consultative Conference, is honorary president of the China Population Welfare Foundation. Wang Wei, minister of the State Family Planning Commission, Yang Baibing, political commissar of the Beijing Military Area command, and Bai Jiefu, chairman of the Beijing Municipal People's Political Consultative Conference, are all advisors of the foundation.

Wang Shoudao said that the United Nations fund for population activities suggested that July 11, be designated to mark the world's population becoming 5 billion. He said this is to call the whole world's attention to the fact that the population is growing too fast.

Deng Yingchao met all council members of the foundation and representatives present on the conference. It is an important yet difficult task to control the growth of population and increase the quality of life, she said, adding that she hopes the project will be carried on steadily and on a long-term basis.

SCIENTISTS DEVELOP NEW MISSILE TRACKING EQUIPMENT

OW091002 Beijing XINHUA in English 0941 GMT 9 Jun 87

[Text] Chengdu, June 9 (XINHUA) -- After seven years of research, Chinese scientists have developed powerful precision tracking equipment which can calculate the trajectory and altitude of flying objects.

Speaking at a recent press conference, professor Zhang Litang, director of the Chengdu Optical and Electronic Technology Institute affiliated with the Chinese Academy of Sciences, said, "The newly-developed instrument, called the 'super tracking theodolite,' is capable of tracking targets, such as aircraft, missiles, rockets and satellites, manually, and by video, infrared light and computers.

"The instrument can spot and fix the target, and provide accurate measurement data on the central range computer," he said, adding the instrument can take accurate photos of a target the size of a television set up to 300 kilometers away.

"Chinese Government has approved the sale of this equipment on the international market," Zhang disclosed.

Previously, only Switzerland and the United States were able to manufacture this type of equipment, specialists added.

PLA NAVY PATROLS NANSHA QUNDAO 16 MAY-6 JUNE

OW091425 Beijing Domestic Service in Mandarin 0800 GMT 9 Jun 87

[Text] According to a RENMIN HAIJUN BAO report, a large PLA naval formation patrolled the waters around Nansha Qundao for the first time 16 May-6 June, with success.

Among the archipelagos in the South China Sea, Nansha Qundao is situated southernmost. It also boasts the largest number of coral reefs sprawling far and wide. Taiping Dao, Beizi Dao, Nanzi Dao, and Zhongye Dao are among the major islands in Nansha Qundao.

This time the naval formation conducted a normal sea patrol from Beizi Dao in the north to Zengmu Ansha in the south. The first patrol of Nansha Qundao by a large naval formation indicates that the PLA Navy has further expanded its cruising and combat radius as well as improved equipment its fleets' equipment and its seamen's capability. The naval fleets have grown stronger and are able to safeguard the country's territorial waters.

LIAOWANG DISCUSSES STRATEGIC MISSILE FORCES

HK101416 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 23, 8 Jun 87 pp 8, 9

[Article by Guo Qingsheng (6753 1987 3932): "China's Young Strategic Missile Troops"]

[Text] Today, the Chinese strategic missile forces have a 21 year history. These special forces were set up to break the nuclear monopoly, strengthen the self-defense capability, and prevent nuclear wars. The successes of the Chinese atomic and hydrogen bombs tests as well as the nuclear missile weapons tests have provided a reliable material and technological basis for the building and development of the strategic missile forces.

On 1 June 1966, the CPC Central Committee Military Commission approved the setting up of the leading organ of the strategic missile forces and Premier Zhou Enlai named these forces the "II Artillery Corps." Since then, the Chinese PLA has had new forces equipped with the sophisticated weapons.

During the early stage of setting up the "II Artillery Corps," treading in the deep snow north of the Great Wall and braving the yellow sands of the Gobi Desert, a large number of engineering forces set up tents in the untraversed remote mountains and gorges and woke up the sleeping barren mountains with the rumble of blasts to cut into the mountains to start building the large-scale infrastructure. Through 20 years of arduous efforts, they have successively built up a number of coordinate positions that can serve offensive, defensive, and storage purposes. A poem by Defense Minister Zhang Aiping reads, "The fortresses are safely covered by the peaks rising one higher than another; and the fairy caves full of flowers and fruits can shield off the forces from heaven." At present, the brave and heroic missile forces have already built rock-firm fortresses as well as positions for offensive operations.

The building of the launching positions and the improvement in weapons and equipment have provided very good material and technological conditions for the development of the missile forces. However, to form a powerful combat force, it is still necessary to realize the integration of men and weapon systems and the integration of tactics and techniques. By unswervingly practicing the launching of missiles after nuclear attacks and conducting adaptability training for cold, hot, rainy, and windy weather and highland, hilly, and mountainous combat zone conditions, they have already gained experience in organizing nuclear counterattacks and training under poor conditions.

I remember when I visited a missile troop in winter. During the coldest days of winter on the highland beyond the Great Wall, the northwest winds were wildly whistling with snowflakes flying up and down. A giant missile launching tower stood erect on a vast tract. A lift carried us to the top of the launching tower, which was as high as a 12-storey building. Looking down, we saw two big arms stretching from the tower and closely embracing a giant long-range missile. In a moment, passwords echoed at the work platforms at different levels and all the fighters of the missile forces in woolen jackets were preparing for the launch. Since the temperature on the tower was 30 degrees below zero centigrade, our hands and feet were numb with cold before long. However, in order to work better, the fighters took off their leather gloves and changed their shoes to rubbers to staunchly work in their own positions. After refueling, all the personnel withdrew from the tower and we went to the underground control center, where commanders organized and commanded the launch. In the oval central control room, all the control panels were lined up in a row, the command center was in the center of the room, and all the electrical appliances were buzzing rhythmically. With the commanders issuing one order after another, the operators turned on the bottoms and switchers; the red, green, yellow, and white indicators were flashing; and the needles of meters moved slowly. As soon as the "fire" command was issued, the "giant dragon" roared thunderously and flew to the faraway target on the planned course....

The key to building the modernized forces is talented people. For many years, the Chinese strategic missile forces have always strived to train talented military people. These forces have set up an educational system of multiple patterns, levels, and specifications for training the junior, intermediate, and senior special technological and commanding cadres. They have already trained a large number of cadres with a secondary education or above and trained through rotations several thousand in-service cadres. Moreover, the organs, troops, and research and designing departments are continuously staffed by over 1,000 graduates of the military and local schools every year. Of the contingent of cadres, intellectuals already account for 62 percent, becoming the backbone and main force in the building of forces. [paragraph continues]

In assigning commanders, the forces attach importance to selecting young and energetic intellectuals who have both ability and political integrity to the leading positions at all levels and boldly entrust them with important responsibilities. Of the leading organs at the brigade and division level, over 40 percent of cadres have a higher educational level, and of the leading organs at the army level, over 50 percent of cadres have a higher educational level. Most officers of the senior leading levels can organize and command launches.

As a modern troop possessing sophisticated weapons, the Chinese strategic forces are confronted with many new research subjects related to the application and employment of weapons and equipment at war. Over the last 20 years, as they have been paying attention to the building of the scientific and technological contingent and the development of the scientific and technological work, a scientific research system covering all the basic specialities and a scientific and technological cadre contingent of a certain scale and scientific and technological level have initially taken shape. Over the last few years, the forces have had a total of over 1,200 scientific and technological achievements, of which 593 won scientific and technological achievement awards of the state and Army. The JH serial microcomputer, which is the biggest Chinese microcomputer series in the country so far and mainly a result of their research, has attained the international level of similar products in the 1980's in the aspect of handling the Chinese and graphic information. Having passed the examination in March of last year, this serial microcomputer is used in the automated offices of the CPC Central Committee Military Commission, all the general headquarters, and the organs of the strategic missile forces.

The success of the experiment to tap the potential and increase the range of new missiles conducted by a certain unit has increased the combat capability of the missiles and expanded the targets of nuclear attack, thus marking a new breakthrough in the use and research of the strategic nuclear weapons of the Chinese Army. All the personnel participating in the experiment were awarded by a general order issued by the CPC Central Committee Military Commission, and Deng Xiaoping, chairman of the CPC Central Committee Military Commission, issued an order to give a Merit Citation First Class to the responsible persons of this experiment Jiang Shaohua and Fei Jingfeng.

Through 20 years of construction, the rear engineering facilities of the Chinese strategic forces have attained a considerable size and hospitals, repairing and assembling factories, material transport stations, oil depots, and comprehensive material depots have been built, thus forming a rear-services system to ensure logistics supplies in the event of nuclear war. This has provided a base for ensuring the logistics supply at peace as well as at war and improved the logistics capabilities in training, construction, and living as well as the capabilities for conducting rear-service command and battlefield rescue and first-aid works as well as supplying various materials, to guarantee the success of every work. In 1985, the command of the logistics work was shifted from the military region to these troops themselves to effect the unified and planned supply. The logistics departments at all levels have also strengthened the research and application of the modern scientific management of the logistics works of the foreign troops.

The Chinese strategic forces have become a full-fledged combined army equipped with varied types of missiles and succeeded in carrying out many range practices and campaign and tactical exercises of different scales. This signifies that the strategic missile forces have been capable of enforcing the task of nuclear counterattack and become a strategic armed force that is trustworthy to the people of the whole country. They can play an inestimable role in breaking the nuclear monopoly, defeating nuclear blackmail, and safeguarding peace in China and the world.

RENMIN RIBAO VIEWS SOCIALIST NATURE OF REFORM

HK101352 Beijing RENMIN RIBAO in Chinese 10 Jun 87 p 1

[Editorial: "On the Socialist Nature of China's Reform"]

[Text] The party Central Committee has time and again pointed out that the policy of carrying out reform, opening up to the outside world, and invigorating the domestic economy is one of the two cornerstones of the line laid down since the 3d Plenary Session of the 11th CPC Central Committee. This means our reforms aim at building socialism with distinctive Chinese characteristics.

To push our reforms successfully forward, we must oppose the viewpoint of bourgeois liberalization and the viewpoint of ossification as well. We are resolutely opposed to looking at the reforms from the viewpoint of bourgeois liberalization and holding that it is essential to abandon socialism and go in for "total Westernization" in order to carry out reform. It is also completely wrong to look at the reforms from the viewpoint of ossification and wonder whether reform means pursuing capitalism.

Are our reforms of a socialist or a capitalist nature? The answer is affirmative. Our reforms are of a socialist nature, not of a capitalist nature. This can be proved by the following points.

First, generally speaking, our reforms, based on the socialist system, are carried out in an organized way and step by step under the leadership of our party, and their aim is not to change the socialist system but to remove the defects in the existing economic and political structures and to better emancipate and develop the productive forces so that socialism will truly be filled with vitality and vigor. The practice of China's economic construction before the 3d Plenary Session of the 11th CPC Central Committee initially demonstrated the superiority of the socialist system, but also exposed the defects of the rigid pattern in the economic structure. In the face of the emergence of the new technological revolution in the world of today, that rigid pattern is not good for absorbing the latest scientific and technological achievements of the present age, spurring the progress of science and technology and creating new productive forces. Hence, reform has become the essential path for the onward development and self-perfection of socialism.

In the 8 years since the 3d Plenary Session of the 11th CPC Central Committee, the rural and urban reforms have started breaking with that rigid pattern. As a result, an unprecedented new flourishing situation has emerged in our economic construction and the superiority of socialism has been better demonstrated. Whoever takes an objective approach to problems certainly acknowledges that the reforms have not slowed down but quickened the path of socialist construction, they have not dulled but increased the vitality of socialism, they have not widened but narrowed the gap of economic strength between our country and capitalist developed countries, and they have not overshadowed socialism but made it shine with new dazzling splendor.

Second, in judging the nature of an economic system, the most important thing is to look at the main body of its ownership and distribution system. The fundamental characteristics of the socialist economic structure are, first, adoption of public ownership of the means of production; and second, implementation of the principle of distribution according to work. [paragraph continues]

No matter how great the strides it takes in reform, China will hold fast to these two points, thus drawing a fundamental demarcation line against capitalism. China is still in the initial stage of socialism; generally speaking, its level of productive forces is still very low. For this reason, on the premise of insisting on public ownership as the main body of its economic system, China also allows the existence of other economic sectors such as the private economic sector, private enterprises, and the development of Chinese-foreign enterprises and enterprises run exclusively with foreign investment. But all this takes up a very small proportion of the entire national economy. The purpose of allowing the existence and development of these economic sectors is to use them as a necessary supplement to the socialist economy and to better develop the socialist productive forces. In distribution, we adopt different forms of distribution with the principle of distribution according to work as the main body. Meanwhile, we also allow some areas and some people to attain prosperity before others to give fuller play to the enthusiasm of producers and management operators. In addition to this, we also adopt measures in policies and taxation to avoid polarization in an effort to attain common prosperity. In short, all reform measures taken by the party and government aim at giving fuller play to the superiority of socialism and accelerating the development of the productive forces. In judging whether or not socialism is up to standard, what is most essential is to see whether the social productive forces are effectively promoted and whether living standards are raised gradually and continuously on this basis. This is the most important indication. In making revolution in the past, some comrades held: "The revolutionary force should be extremely pure and the revolutionary road should be extremely straight." Consequently, the revolutionary cause suffered many losses. In developing economic construction in the past, some comrades maintained that the level of public ownership should be very high and the scale of economic organizations should be very large; consequently, our cause of economic construction suffered great setbacks. It is necessary for us to learn a lesson from these bitter experiences.

Since implementing the policy of carrying out reform and opening up to the outside world, China has indeed absorbed and made reference to the advanced management methods of some capitalist developed countries. Some people hold that to do this means pursuing capitalism. This view is another misinterpretation. The management methods adopted by capitalist countries are in some respects necessarily linked to the capitalist system but in many respects are not necessarily linked to capitalism. Instead, they reflect the demands of modern socialized mass production and are not capitalist "patents." It must be pointed out that influenced by the old patterns and restrictions, we often added some conditions to the essential characteristics of socialism, viewing things not good for rapid development of the productive forces as indispensable to socialism and seeing things that different social systems can use to develop the productive forces as monopolized by capitalism. We have no reason to delimit a boundary within a small plot of land and tie ourselves up in a silkworm cocoon. In the past few years we have initially broken with outdated conventional thinking and achieved marked results. It can be anticipated that if we totally break with conventional ideas, we will certainly achieve greater successes.

In definitely affirming that our reforms are of a socialist nature, does it mean that no errors and negative phenomena will emerge in the course of carrying out reform? The answer is negative. Does it mean that we should not guard against the attack of moribund capitalist ideology in the course of carrying out reform? The answer is negative, too. Reform means to take paths never before trodden and it is a very complicated project of the social system; therefore, some errors are unavoidable. [paragraph continues]

Due to the influence of the old structure, the old force of habit, and the several thousand-year-old conventional ideas, the appearance of different kinds of negative phenomena is also unavoidable, as is the influence of moribund capitalist ideology from abroad. Thus, it is quite natural that some comrades worry about this. This is just why we must be resolute and prudent in carrying out reform. We must keep an eye on the progress of reform and adopt appropriate measures to tackle problems emerging in the course of reform and continuously use advantages and eliminate disadvantages so that the reform measures will become perfect step by step. At the same time, we must uphold the four cardinal principles, resolutely combat bourgeois liberalization, vigorously strengthen the building of socialist spiritual civilization and the building of socialist legality, and crack down on economic crimes to ensure the reforms forge ahead in a correct direction. What is important is that when some negative phenomena are found, we must make a concrete analysis of them and should in no way confuse our understanding of the fundamental nature of the reforms and shake our determination and confidence in them.

Reform is a recent phenomenon which allows different views. We are convinced that these different views can become identical step by step through the practice of reform. Comrades engaged in theoretical and propaganda work should first deepen their understanding of reform, and they are duty-bound to help cadres and the masses lead their understanding to the line of the party Central Committee.

RENMIN RIBAO ON CADRES' ORGANIZATIONAL LIFE

HK091302 Beijing RENMIN RIBAO in Chinese 9 Jun 87 p 4

[Commentator's article: "Taking Part Properly in Organizational Life at Two Different Levels"]

[Text] Leading cadres should participate in organizational activities at two levels. This is a constant system of the party. Through the recent party rectification, party organizations at various levels have generally paid attention to the system of leading bodies' "Democratic Life" meetings. Most leading cadres with party membership can participate in party organizations' activities at two levels and accept the supervision of the party organizations and ordinary party members. However, some localities and departments have not yet properly pursued the system of leading cadres' two-level organizational activities. This state of affairs must be changed.

Strict implementation of this system is of great significance for strengthening cadres' party spirit training, promoting the exchange of ideas between comrades, and forming closer relations between upper leaders and subordinates. This will also enable ordinary party members to better exercise democratic supervision over the party's leading cadres and will strengthen the vigor of the party organizations. All leading cadres must unconditionally participate in regular organizational activities at two levels and must subject themselves to the supervision of the party and the masses. They must not regard themselves as special party members.

Seriously participating in the activities of a grass-roots party organization is an important matter that party leading cadres must heed. Inside the party, all comrades are equal. In the party's organizational activities and at the "life" meetings, leading comrades should, like other ordinary party members, actively study documents and discuss issues and honestly report their ideas and work to the organizations.
[paragraph continues]

They should also be sincere in accepting the tasks assigned by their party groups and subject themselves to the party organization's supervision and education. They must not continue to assume the airs of leaders and give "instructions" at meetings of grass-roots party organizations to which they belong. Otherwise, the meetings and activities will not be able to achieve the purpose of communicating each other's thoughts, forming closer relations, and improving the work style; instead, the channel for communication may be blocked and leaders become estranged from each other.

The key to normal two-level organizational activities for leading cadres lies in proper criticism and self-criticism, which will help solve the internal contradiction in a party organization.

At present, when some party organizations hold "life" meetings, it is hard to carry out self-criticisms, and it is even harder to carry out criticism among the members. Sometimes, the criticism is merely casual and perfunctory; and sometimes, the criticism becomes unprincipled quarrels. The inner-party organizational activities sometimes even give up the party spirit principles and confuse right and wrong in ideological and political matters. Such party organizational activities cannot overcome the negative factors and cannot carry forward the active factors. The party organizations will just become weaker and laxer.

All party members are responsible for changing this state of affairs, and leading cadres bear more responsibility for this. They should be conscious in setting a strict demand on themselves, overcome selfish ideas and personal considerations, and take the lead in carrying out criticism and self-criticism in the organizational activities. In doing this, they should be realistic in pointing out the mistakes and shortcomings of other comrades and be enthusiastic in helping them distinguish right from wrong, enhance their understanding, and sum up experience or draw a lesson. If leading cadres themselves have committed some mistakes, they should sincerely make self-criticism and earnestly correct the mistakes. At the party organization's "life" meetings, leading cadres should be strict with themselves, dare to speak what is on their minds, and expose their real thoughts. They should be sincere in accepting other comrades' help and criticism. In short, through studies, discussions, criticisms, and self-criticisms, party organizations will be able to solve their problems and develop their combat effectiveness by relying on their own strength.

PENG ZHEN LAUDS SHENZHEN, ZHUHAI FOR OPEN POLICY

OW091146 Beijing BEIJING REVIEW in English 1 Jun 87 pp 6-7

[Article: "Peng Zhen on Open Policy and Reform"]

[Text] "The problem at present is not that we have gone too far in opening to the outside world but that we have not done enough to allow the policy to invigorate the domestic economy," said Peng Zhen, member of the Political Bureau of the Chinese Communist Party Central Committee and chairman of the Standing Committee of the National People's Congress.

The reason why China hasn't opened its door quite enough, remarked Peng, is that some of the basic material conditions of present China are falling short of demands of the open policy and it is also because of bureaucracy and inefficiency. With the improvement of work efficiency and the basic material conditions, the Chinese will open to the outside much further, said Peng.

The 85-year-old chairman made the statements during his inspection tours of Jiangxi, Guangdong and Fujian Provinces from April 17 to May 18.

"When we look back at China's history," said Peng, "we will find that all the prosperous dynasties were those which were open to the outside; and, when we look around, we will find that developed countries in our own time are those that are open."

As for China's economic structure, Peng said to the local officials of Fujian Province, the problem is that in the past the state centralized too much and exercised excessive and rigid control over local governments and enterprises. "Now we must decentralize, delegating power to lower levels. We must reform, and we must go all out. At the same time, we must open to the outside world in order to import and assimilate advanced foreign managerial experience and technology. Otherwise, we can't build the four socialist modernizations," said Peng.

Peng praised the Shenzhen and Zhuhai Special Economic Zones (SEZ), both in Guangdong Province, for their successes in opening to the rest of the world.

Shenzhen and Zhuhai were underdeveloped small towns at the end of the 1970s, and were picked as experimental zones to open to the outside. Now, after several years of development, both have grown into prosperous cities, albeit controversial ones. Peng, as one of the top policy makers, gave his own judgment, saying that the decision and policies that the Chinese Communist Party Central Committee made to open the SEZ have proved to be correct.

"Now I see no signs of the wilderness at Shenzhen I saw when I visited it in 1980," Peng said. "Also it's pleasing to see Zhuhai developing so rapidly."

"This also shows that China needs to intensify reforms and to open itself still wider to other parts of the world and further enliven its domestic economy," Peng said.

Upon hearing that some people were worried about the possible change of the policy of enriching people, Peng said, the policy as a whole will not and can not be changed. However, the authorities will adjust some of the specific policies, Peng explained to the local officials. The adjustment, Peng said, is for the sake of improvement, which will be more beneficial to economic development and making people richer.

Peng stressed that the policy of economic reform and opening to the outside world must be carried out under the condition of upholding the four cardinal principles (adhering to the socialist road, upholding the people's democratic dictatorship, the leadership of the Communist Party, and Marxism-Leninism and Mao Zedong Thought).

Peng repeatedly stated that China must go all out to practise the planned socialist commodity economy on the basis of public ownership. At the same time, he said, "We must abandon those old traditions which are not suited to socialism."

SHANGHAI'S RUI XINGWEN ADDRESSES MEETING

OW101253 Shanghai City Service in Mandarin 2200 GMT 9 Jun 87

[Text] The Shanghai Municipal CPC Committee held a meeting at the exhibition center on the morning of 9 June, which was attended by party member-responsible cadres in the municipality.

Rui Xingwen, secretary of the municipal party committee, made a report at the meeting, giving guidelines on the study of the two basic elements in the line formulated by the party since the 3d Plenary Session of its 11th Central Committee.

He said: The standards of productive forces are very important in building socialism because they can exercise control in many areas. Ours is a society transformed from a semi-feudal, semi-colonial society. Our productive forces are still backward, and we are in the initial stage of socialism. As poverty is not a characteristic of socialism, it is imperative to develop productive forces. By realizing the necessity of going through a fairly long initial stage in building socialism in China and by attaching importance to the standards of productive forces in building socialism, it can help us to comprehensively and correctly understand the line pursued by the party since the 3d Plenary Session of its Central Committee, which is to build socialism with Chinese characteristics.

Rui Xingwen said: There are two basic elements in this line: One is adherence to the four cardinal principles, the cornerstone on which our country is founded and governed; and the other is persistence in reform, opening, and economic invigoration, the general principle and policy for building socialism with Chinese characteristics. The two basic elements are dependent on each other, as well as integrated as one. Neither is dispensable. Without upholding the four cardinal principles, we would deviate from the socialist direction; similarly without persisting in reform, opening, and economic invigoration, there would be no characteristics of the line since the 3d Plenary Session of the 11th CPC Central Committee and there would be no socialism with Chinese characteristics. We must study well the line and Comrade Xiaoping's ideas about building socialism with Chinese characteristics, uphold the four cardinal principles, and persist in reform, opening, and economic invigoration so that by the mid-21st century, we can reach the level of intermediate developed countries, and we can justifiably say socialism is better than capitalism. Currently we must carry out the education on combating bourgeois liberalization in a penetrating, sustained, and wholesome manner, while actively publicizing and deepening the policy of reform, opening, and economic invigoration and effectively carrying out the campaign to increase production and practice economy as well as raise revenues and reduce expenditures.

Deputy Secretaries of the municipal party committee Wu Bangguo and Zeng Qinghong attended the meeting along with some 1,700 party member-responsible cadres in Shanghai.

SHANGHAI'S LEADER VISITS MARINE RESEARCH INSTITUTE

OW100857 Shanghai City Service in Mandarin 1000 GMT 9 Jun 87

[Text] The 300-meter helium-nitrogen-oxygen saturation diving experiment, a major scientific research project assigned by the State Scientific and Technological Commission, has lasted for 18 days. According to information released by the Shanghai Marine and Underwater Engineering Institute at a news briefing today, four professional divers having completed the compression test of staying under a 300-meter saturation pressure, are being decompressed at a speed of 1 meter per hour. They will finish the experiment on 12 June.

The leaders at all levels show great interest in this comprehensive scientific research project and attach great importance to it. Some of them have visited the Marine and Underwater Engineering Institute to check on the experiment. They included Rui Xingwen, secretary of the Shanghai Municipal CPC Committee; Zeng Qinghong, deputy secretary of the municipal party committee; leading comrades of the Ministry of Communications; and leading comrades of the municipal party committee's Scientific and Technological Commission. Comrade Rui Xingwen talked on the phone to the comrades in the pressurized cabin.

PRODUCTION EXPANDING IN WENZHOU CITY, ZHEJIANG

OW070900 Beijing XINHUA in English 0612 GMT 7 Jun 87

[Text] Hangzhou, June 7 (XINHUA) -- Families engaged in industry and agriculture on the outskirts of Wenzhou City, Zhejiang Province, are investing in expanding production, a local official said today.

"The prosperous situation is the result of a policy implemented by local authorities which encourages a few people to get rich first," the official said, adding Wenzhou, a national model in boosting the rural economy, now has 140,000 factories run by families and individuals. The Wenzhou area covers some 10,000 square kilometers with ten counties.

According to recent statistics, 165 factories in the city have invested 20.29 million yuan (5.5 million U.S. dollars) in production, at an average of 124,00 yuan (33,500 U.S. dollars) each.

Three brothers in Cangnan County reinvested all their profits, and as a result, the output value of their knitted underwear factory jumped from 400,000 yuan (108,000 U.S. dollars) in 1984, to 1.5 million yuan (405,000 U.S. dollars) last year. The brothers are also adding a textile dyeing workshop which will cost two million yuan (541,000 U.S. dollars).

Some small electrical appliance factories in the Liushi District of Yueqing County have updated their equipment, and now, dozens of their products are up to quality control standards, with some being exported.

Local Wenzhou farmers spent 125 million yuan (33.8 million U.S. dollars) to plant 16,700 hectares of orchards in the past two years, which is equal to the total planted over the past 36 years.

Eight Pingyang County farmers are trying out new farming techniques on 513 hectares of mountain slopes they contracted with 540,000 yuan (146,000 U.S. dollars) earned at their electrical appliance factory.

According to the official, "many families in Wenzhou are building new homes and remodeling existing residences while the current policy is still in effect."

HUNAN MEETING VIEWS 'PARTY RECTIFICATION'

HK100157 Changsha Hunan Provincial Service in Mandarin 0000 GMT 10 Jun 87

[Excerpts] Yesterday Liu Fusheng, deputy secretary of the provincial party committee and deputy head of the committee's group for guiding party rectification, announced at a provincial meeting to sum up party rectification that the 3 and 1/2-year party rectification work in the province has now been concluded. The province has grasped this work in a relatively earnest and sound way, and the development has been healthy. Relatively notable achievements have been achieved.

He said: In the future the party organizations at all levels must seriously tackle the work of regular party building.

The meeting was convened in Changsha on 8 June. Mao Zhiyong, secretary of the provincial party committee and head of the committee's group for guiding party rectification, presided. The meeting conveyed and studied the spirit of the national summation conference on party rectification and the important speeches of leading central comrades. On behalf of the provincial party committee and its group for guiding party rectification, Deputy Secretary Liu Fusheng delivered a summation report on Hunan's party rectification work. [passage omitted]

Other provincial party and government leaders present at the meeting included Jiao Linyi, Zhao Chuqi, Shi Xinshan, Sun Wensheng, and Shen Ruiping. Giving a basic assessment of party rectification in Hunan, Comrade Liu Fusheng said: There have been four basic achievements in party rectification in the past 3 and 1/2 years:

1. We have seriously conducted education for the party members and enhanced their ideological and political qualities.
2. We have seriously investigated and dealt with a number of cases of grave abuse of power, violations of law and discipline, and bureaucratism, together with problems on which the masses have shown strong reaction. Party style has improved in varying degrees.
3. We have seriously carried out examination work together with organizational measures and the reregistration of party members. We have strengthened the purity and staunchness of the party organizations.
4. We have focused on rectifying and building the leadership groups, strengthened their vitality, and boosted their combat strength.

Comrade Liu Fusheng pointed out in his report: The following are the two main problems in Hunan's party rectification:

1. We have failed to get an all-round grasp of unifying people's thinking. While focusing on eliminating leftist influence and promoting reform, opening up, and invigoration, we have not done enough in propagating the four cardinal principles and conducting education in them, and have failed to resist effectively the ideological trend of bourgeois liberalization.
2. Party rectification has not developed very evenly. Some units failed to set high criteria, and some problems have not been solved thoroughly.

Discussing a number of experiences in the province's party rectification work, Comrade Liy Fusheng stressed that following the completion of party rectification, the party organizations at all levels must certainly not relax in the slightest. They must continue to do a good job in resolving problems that were not completely solved in the course of party rectification, and seriously make the transition from concentrated party rectification to regular party building. The party's building must be closely centered around the socialist line with Chinese characteristics and the two basic points of adhering to the four cardinal principles and persevering in reform, opening up, and invigoration.

On how to strengthen party building work, Comrade Liu Fusheng put forward the following specific demands in his report:

1. Resolve properly the problem of the Party governing itself well: To uphold the principle of having the party govern itself well, it is necessary to have a clear picture of the scope of responsibility of the party committees, do a good job in separating party and government, and fundamentally change the situation of lack of separation between party and government, the substitution of the party for the government, and the party's failure to govern itself well.

2. Step up regular education for the party members and bring about an all-round improvement in their quality: Apart from conducting regular education, the party organizations at all levels must establish and implement a sound system for training party-member cadres and party members. [passage omitted]

3. Strengthen the party's organizational building to meet the needs of the new situation: We should focus on putting the leadership groups at all levels on a sound basis and strengthen and enhance them. We must also make some necessary readjustments in them. In recruiting party members, we must strictly proceed in line with the principle of insisting on the criteria, ensuring the quality, improving the structure, and conducting careful recruitment.

4. Put democratic centralism in the party on a more sound basis and exercise effective supervision within the party: We must further strengthen and improve the collective leadership system, the organizational life system, and so on. In present circumstances, we must in particular reiterate and stress the principle that the individual is subordinate to the organization, the minority is subordinate to the majority, the lower levels are subordinate to the upper levels, and the whole party is subordinate to the national party congress and the CPC Central Committee. We must resolutely eliminate occurrences of lack of organization and discipline.

5. Uphold the principle of ruling the party strictly and sternly enforce party discipline: Comrade Liu Fu Sheng said: At present and for a time to come, we must regard the correction of abuse of power, bureaucratism, extreme individualism and liberalism in vying for power, fame, and profit, and other bad work styles as focal points in building party style.

Liu Fesheng also put forward explicit demands on how to handle well problems left over from party rectification.

Yesterday, Sun Wensheng, member of the Standing Committee of the provincial party committee and director of the Organization Departments; and Shi Xinshan, secretary of the provincial Discipline Inspection Commission, respectively spoke on strengthening the building of the grass-roots party organizations and on stepping up the building of party style and discipline.

BEIJING ELECTS NEW DEPUTIES TO CONGRESSES

OW101448 Beijing XINHUA in English 1440 GMT 10 Jun 87

[Text] Beijing, June 10 (XINHUA) -- Beijing voters elected 4,875 deputies to the new people's congresses at the district and county level, and 12,042 others to the congresses at the township and town level. An official of the Beijing Municipal Election Office said here today that among the new deputies elected over the past five months are workers, farmers, servicemen, intellectuals, government officials, Taiwan compatriots and their dependents, returned Overseas Chinese and religious figures.

Women make up 24 percent of the new deputies, and minority nationality people, roughly six percent, the official said.

The number of new deputies is 1,650 fewer than the previous congresses, but they are younger and better educated, he said. Those aged between 35 and 55 comprise 82.17 percent of the new deputies, compared to 76.7 percent in the previous congresses; and those with a college education account for 27.42 percent of the new deputies, up 7.33 percent.

According to the official, 4,206 new deputies, or 86 percent of the total at the county or district level, were nominated by voters; and the other 669 were nominated by various parties jointly.

He said that 96.84 percent of the people eligible cast votes. And 85 candidates in 85 of the 2,711 electoral districts failed to win half of the votes in the first round of voting, and other candidates replaced them on the ballot sheets in the second round of voting, in line with China's election law.

NEW DISTRICT FORMED IN BEIJING MUNICIPALITY

SK100756 Beijing BEIJING RIBAO in Chinese 2 Jun 87 p 1

[Text] With the approval of the State Council, Beijing Municipality has merged Fangshan County and Yanshan District into the new Fangshan District. During the period from 28 May to 1 June, the new district held the first session of the First District People's Congress and the first session of the First District CPPCC Committee.

At the closing ceremony held on 1 June, Li Ximing, secretary of the municipal party committee, delivered a speech in which he extended congratulations on the sessions and urged the participants to unite as one, uphold the socialist direction, deepen the drive to conduct reforms, and score new achievements in making the new district further achieve prosperity and development.

TIANJIN MAYOR DISCUSSES RESISTANCE TO REFORM

HK091050 Hong Kong AFP in English 1041 GMT 9 Jun 87

[Text] Tianjin, China, June 9 (AFP) -- A Chinese mayor tipped for high national office has admitted there is resistance among senior conservatives in China to the country's open-door policy.

In a meeting with foreign correspondents Li Ruihuan, mayor of Tianjin, which ranks second to Shanghai as an industrial centre in China, acknowledged that the modernisation of the country was threatened by the "ossified" attitudes of some Chinese leaders. But he said Monday that attempts to reimpose tougher communist ideology ought not impede the open-door policy.

Those holiday "ossified" views, as well as supporters of excessive liberalisation, must be overcome to assure the stability necessary in China for its modernization, said M Li. "Ossified" is a description recently used by the interim general secretary of the Chinese Communist Party, Prime Minister Zhao Ziyang, to refer to the views of orthodox communists opposed to some of his reforms.

They are leading a strong campaign that has led Mr Zhao to launch a counter-offensive within the party and in the press. "Those who say they are Marxists but oppose the open-door policy are not Marxists," said Mr Li, a party Central Committee member who last year declared that Marxism needed new theoretical concepts.

This is the first time that a Chinese official has openly discussed in front of the foreign press such resistance to change since the ousting in January of party General Secretary Hu Yaobang.

Tianjin, a coastal city 125 kilometres (75 miles) southeast of Beijing, has been used as a test-bed for economic reforms and Mr Li, 53, a former "model worker," has been praised for his political qualities by Chinese leader Deng Xiaoping, who has himself warned against the resurgence of conservatism. Mr Li is considered by many analysts to be one of the most promising members of a rising generation of future leaders of the country. He said China was a "backward" third world country whose development would be brought about with the help of foreign capital and transfers of technology, stressing this was a basic principle of Marxism. The mayor revealed that the country's highest organ of government, the State Council, had approved the city's plans to attract international loans and investment of up to one billion dollars, in particular to help improve its economic efficiency and to boost exports.

Speaking to the foreign correspondents, Mr Li called on foreign businessmen to help China progress in economic efficiency. He said the country needed "a new generation of entrepreneurs." Most of the money obtained would be used for the modernisation of small and medium-sized export-oriented Tianjin businesses, thus enabling China to acquire much-needed foreign currency. Some of it would be used to improve the efficiency of basic industries to help reduce imports. It would also be used to improve services within Tianjin, in particular energy production.

More on Tianjin Mayor

HK090551 Hong Kong WEI WEI PO in Chinese 9 Jun 87 p 2

[Dispatch by correspondent Juan Chi-Hung (7086 4764 1347) from Tianjin 9 Jun: "Li Ruihuan Says Opening up to the Outside World Will Not be Affected by Opposing Liberalization"]

[Text] On the occasion of the inauguration of the Tianjin City foreign trade center, Tianjin Mayor Li Ruihuan held a press conference today attended by Chinese and foreign correspondents. He said: Upholding the four cardinal principles will not affect opening up to the outside world, because it can ensure a stable investment environment.

Li Ruihuan admitted that the struggle against bourgeois liberalization did affect Tianjin City at the outset. The city leaders had to look around and figure out the general spirit of the struggle before deciding what and what not to do. Foreign businessmen also inquired about the situation throughout the country, but this did not last for long. He gave as an example the number of enterprises in Tianjin that signed contracts with foreign businessmen on joint-venture projects in this year's first quarter, which increased by 102 percent over the same period of last year. This fully indicates that opposition to liberalization has not seriously affected opening up and reform.

He also cited some other reasons. He held that opening up and reform is the current trend and a historical inevitability. He said: Since China admits its economic backwardness, it should learn the advanced experience of foreign countries. Moreover, opening up and reform also meet the desire of the broad masses. He said: "Whoever goes against the people will come to grief in the end."

As to whether there are obstacles to opening up and reform, Li Ruihuan said bluntly: "Surely there are obstacles, at present and in the future." Those engaged in opening up work must deal with foreigners on the one hand, and overcome various domestic obstacles on the other.

Answering a correspondent's question on the struggle against liberalization policy, Li Ruihuan said: Opposing bourgeois liberalization must have a strict definition. We must not go against the four cardinal principles. In particular, leaders should not be confused and disoriented, thought it is not so serious for ordinary people to have some confused ideas. We must proceed by educating people, and not making people suffer. The essence of the problem also involves the economy and calls for developing socialist productive forces and bringing into play the superiorities of socialism.

When a correspondent asked what measures Tianjin City will adopt to attract foreign investment and reduce foreign businessmen's investment risks, Li Ruihuan answered: One important reason why Tianjin City has done well in running Chinese-foreign joint venture enterprises over the past few years is that Tianjin has paid special attention to foreign businessmen's interests, so that they have good prospects of gain.

He said: In order to properly run Chinese-foreign joint venture enterprises, Tianjin has first of all earnestly helped foreign businessmen to study their orientation for their investment and then warmly helped them solve problems they met in investment.

JILIN CPPCC COMMITTEE CONCLUDES MEETING

SK060420 Changchun Jilin Provincial Service in Mandarin 0930 GMT 5 Jun 87

[Excerpts] After 3 days in session, the 15th Standing Committee meeting of the 5th Jilin Provincial CPPCC Committee concluded in Changchun on the afternoon of 5 June.

The meeting relayed the guidelines of the Fifth Session of the Sixth National CPPCC Committee and heard the Motions Work Committee's draft report on the motions put forward at the fifth session of the fifth provincial CPPCC Committee and on examinations of the motions, the explanations of the program for readjustment of the organs under the provincial CPPCC Committee, and the provincial CPPCC Committee's reports on investigation of capital construction projects and on extension of CPPCC work to the grass roots. [passage omitted]

The plenary session held on the afternoon of 5 June unanimously approved the resolution of the 15th Standing Committee meeting of the 5th provincial CPPCC Committee on the report on examinations of the motions put forward at the 5th session of the 5th provincial CPPCC Committee, and the program for readjustment of the organs under the provincial CPPCC Committee.

With the nomination of Zhang Hongkui, secretary general of the provincial CPPCC Committee, the plenary session appointed Comrade Yao Naiquan as deputy secretary general of the provincial CPPCC Committee and concurrently head of the office of the provincial CPPCC Committee.

Liu Jingzhi, chairman of the provincial CPPCC Committee, made a speech at the plenary session. [passage omitted]

Attending the session were Zhang Fengqi, Guan Mengjue, He Yunqing, Geng Yuelun, Luo Yuejia, Jin Cheng, Jin Minghan, Cai Qiyun, and Lu Shiqian, vice chairmen of the provincial CPPCC Committee; and Che Minqiao, former vice chairman of the provincial CPPCC Committee. Attending the session as observers were responsible comrades of the United Front Work Department of the provincial party committee, all city and autonomous prefectural CPPCC Committees, and the CPPCC Work Office of Baicheng Prefecture.

LIAONING'S SHUREN CALLS FOR GRASPING TWO POINTS

SK100810 Shenyang Liaoning Provincial Service in Mandarin 2100 GMT 9 Jun 87

[Text] At a recent provincial theoretical consultative forum, Quan Shuren, secretary of the provincial party committee, pointed out: Upholding the four cardinal principles and the work of reform and opening up to the outside world are two basic points which we must always grasp firmly in the course of implementing the line defined since the 3d Plenary Session of the 11th CPC Central Committee. We should not consider these two basic points as the two ends in the balance and pay attention to one end at the expense of the other.

We should not oppose the four cardinal principles and belittle reform and opening-up today, and then stress reform and opening-up and discard the four cardinal principles tomorrow. With regard to the issue of integrating the two basic points, we should not approach the four cardinal principles with a rigid viewpoint and reach a wrong conclusion of negating reform and opening-up. Still less should we use the viewpoint of liberalism to approach reform and opening-up and reach an absurd conclusion of total westernization.

He said: In practice, the integrated point of the two basic points is to vigorously develop the productive forces and to build socialism with Chinese characteristics. The main criterion for judging whether we have completely grasped and closely integrated the two basic points in our practical work is to see whether we have effectively promoted the development of productive forces. Without the development of productive forces, we cannot begin to talk about correctly upholding the four cardinal principles and reform and opening-up. In this sense, liberating our thinking, changing our concepts, continuously overcoming the leftist ideological influence and rigid concepts, and understanding clearly socialism and its characteristics in terms of theory and practice will still remain a very pressing and arduous task facing us.

In his speech, Comrade Quan Shuren also stressed the importance of building the theoretical ranks and strengthening study, propaganda, and education in the reform theories under the current situation.

PERSIAN GULF ATTACK ON TANKER NOT CONFIRMED

OW110425 Taipei CNA in English 0329 GMT 11 Jun 87

[Text] Taipei, June 11 (CNA) -- The Chinese Petroleum Corp. [CPC] said Wednesday that it could not yet confirm a news report that one of its leased oil tankers was attacked and damaged in the Persian Gulf.

According to foreign wire service reports, a Greek oil tanker leased by CPC was hit, probably by a missile, in the Gulf Tuesday afternoon, and that the tanker was sailing to a nearby port for repairs.

Since an increasing number of tankers are being hit in the Gulf, CPC has recently leased many foreign tankers for use in place of its own ships to transport crude oil from Kuwait and Saudi Arabia to the Republic of China.

"CPC will have no loss even if the report is true because all of its tankers are covered by insurance," a CPC official said.

Moreover, he added, the nation's oil supply will not be affected as CPC has always maintained a sufficient oil reserve. "Because of the time lag, CPC can not confirm the report until Thursday morning," the official said.

Tanker Hits Mine

OW110430 Taipei CNA in English 0335 GMT 11 Jun 87

[Text] New York, June 10 (CNA) -- The Greek tanker "Ethnic" carrying a load of crude oil for the ROC's [Republic of China's] Chinese Petroleum Corporation [CPC] which hit a mine in the Persian Gulf on Tuesday, has arrived in Port Rao Tanura, Saudi Arabia, the CPC office here has been informed.

The Nereus Shipping S.A., an agent for the owner of the ill-fated "Ethnic," told the CPC office that two tanks of the 270,293-deadweight ton tankers were damaged by the mine, causing a partial loss of the 200,000 to 210,000 tons of crude oil it was carrying.

The agent's report to CPC did not mention if there was any casualty on board the tanker.

The agent's report said the tanker hit the mine at 8:05 p.m. local time when it had just passed through the Al-Ahmadi Channel off Kuwait.

A CPC official said as the tanker was not fully loaded, crude oil in the two damaged tanks had been able to be siphoned off to store in other empty tanks to reduce its loss.

KMT OFFICIAL HOPES LIFTING OF EMERGENCY DECREE

OW090319 Taipei CNA in English 0233 GMT 9 Jun 87

[Text] Taipei, June 9 (CNA) -- A ranking Kuomintang official said Monday he hopes the Legislative Yuan will pass the proposed National Security Bill as soon as possible so that the government may announce the lifting of the Emergency Decree in mid-July.

Legislator Liang Su-jung, concurrently deputy secretary general of the KMT Policy Coordination Committee, said at a joint meeting of the Legislative Yuan's Interior, Judicial and Defense Affairs Committees that it is natural for lawmakers to have different views on legislative bills.

The KMT realizes the value of its past communications with opposition legislators, and will continue to pursue this policy in order to ease disputes and to achieve harmony in the Legislative Yuan, Liang said.

In addition to welcoming the return of several legislators who walked out of a joint meeting last Saturday, Liang said he would like to take the opportunity to pay tribute to the veteran legislators for their past contributions to the nation and the society.

Liang said he hopes his colleagues will discuss the National Security Bill with a more rational attitude and will pass the bill as soon as possible that the Emergency Decree can be lifted in mid-July. This will be one of the great contributions the Legislative Yuan can make to the nation and the people, he said.

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